PRESS CONFERENCES

of

THE PRESIDENT

1940 -- Jan. 1 to June 30

Henry M. Kannee,
Official Reporter.

CONFIDENTIAL
Press Conference #611,
Executive Offices of the White House,
January 2, 1940, 4.10 P.M.

Q (Mr. Young) Hello, Mr. President. Hello, Mr. Attorney General.

Glad to see you, sir.

(The Attorney General acknowledged the salutation.)

THE PRESIDENT: What kind of a New Year was that you wished for me the other day?

Q (Mr. Godwin) Oh, I said "eventful."

THE PRESIDENT: Did you ever know any member of my family that did not have an eventful New Year?

Q You do belong to one of the happeningest families.

Q You know it is better to be eventful than dull. Don't you think so?

THE PRESIDENT: Sure. The only way to keep you people from being ghoulish is by giving you something new all the time. Otherwise you would be ghoulish.

Q You know, there are events we do not speak about here.

Q When are you going to get to Hyde Park?

THE PRESIDENT: End of the month or beginning of February; somewhere around there.

Q Charlie Hamilton wanted me to extend his thanks to you for inquiring as to his health and to wish you a Happy New Year.

THE PRESIDENT: How is he?

Q Pretty feeble.

MR. DONALDSON: All in.

THE PRESIDENT: I signed a Proclamation today that won't mean anything to anybody except an engineer or surveyor from the Interior De-

partment or Forestry. It is the Proclamation enlarging the Olympic National Park. I was given authority under the bill to add a certain number of acres to the Olympic National Park which, as originally set up, followed the lines of the old monument.

We had a hearing, as you know, and the Governor came down.

Steve (Mr. Early), hold this up for me. I can explain it in about a minute.

(Indicating) Everything in the middle in here was the old Park. There was no question at all about the areas on the north or on the east or on the south -- these green areas to be added, or that (indicating).

The only question that arose was as to whether these two little green areas (indicating on the west) should be taken out of the National Forest and added to the Park. There, again, the question hinged on two matters of fact. Some of the people out there thought that by taking these two little green corners on the west into the Park, that we might jeopardize what they call the sustained yield of pulp wood to supply paper, the pulp mills up on Puget Sound and down here around Tacoma on the south, the Pacific side. The Forestry Service gave us a survey that showed that even if these two areas are added to the Park, there is enough pulp wood on the rotation principle, that is to say, cutting the trees when they are between forty and fifty years old, in this general area west of the Park to maintain all of the pulp mills on Puget Sound and on the Pacific, not only at their present rate of capacity but thirty per cent greater than they are running today. On the basis of that report there is no reason why these two corners --

strips on the west -- should not be added to the Park.

The other question was the question of what is a rain forest? The southern strip, going west, follows the valley of the Hoh River, a very beautiful scenic section with very steep hillsides, and the northern strip is the upper valley of the Bogachiel River -- wait until I find the thing; I cannot spell it unless I read it; B-o-g-a-c-h-i-e-l -- and there again we wanted to preserve for the public this thing called rain forest, which means original virgin timber, very large timber, that is covered with a mossy growth. Some people said that this rain forest existed east of that green area in the higher latitudes, getting up towards the top of the mountains, but we found that while there is just as much rain up there, you do not have the moss because you get up too high.

And so, on those two reasons, of finding of fact, we are including those two areas in the Park.

Q Is there any particular reason for leaving that so-called corridor you have in there (indicating)?

THE PRESIDENT: Well, eventually those two valleys, the southern one, the valley down the Hoh (River), and the northern one, going up this way (indicating), and down the Bogachiel (River) -- eventually we want to extend that to the Pacific Ocean.

Q Why isn't that strip (indicating) in there?

THE PRESIDENT: Because that is just the tops of mountains.

MR. EARLY: You want your total acreage.

THE PRESIDENT: Oh, this still leaves -- this still leaves under the Act about 50,000 acres more that can be, in the future, taken into

the Park. There won't be any action on that until we know what the use is going to be like -- whether the public will go in.

Q Any significance in the Attorney General's visit with you today?

THE PRESIDENT: No. I told him to come over here and look you over.

Q Last chance or something. (Laughter)

Q Mr. President, it will be very helpful to a great many of us if we find out as soon as possible about some of the physical features of your speech tomorrow such as the time we will get it, the length, et cetera. If that is something that you can help us with, it will be very much appreciated.

THE PRESIDENT: I hope to get the final draft to you -- what time, Steve (Mr. Early)? About what? Eleven o'clock?

MR. EARLY: I hoped they would get it -- well, will you clear it with me about nine o'clock in the morning?

THE PRESIDENT: Yes, that is guaranteed. From now on your fight is with Steve (Mr. Early). I will get it into his hands at nine A.M. That is all right.

Q Well, sir, he never failed us.

Q Along the same line, how about the Budget Message? When do you expect to send that up?

THE PRESIDENT: That will be going up the next day at noon and I think we will have our Budget Conference, our seminar, when we get back from the Capitol, around a quarter to four or four o'clock.

Q Any reason why Senator Barkley said there is some doubt about its going up tomorrow, that it might come up on Friday?

THE PRESIDENT: We never mentioned it.

Q Speaker Bankhead said it wasn't mentioned.

THE PRESIDENT: No, it was not mentioned.

Q Will you fill the diplomatic and judicial vacancies in the near future?

THE PRESIDENT: Yes.

Q A few days?

THE PRESIDENT: I hope most of them in a few days.

Q Will the District Judge be included in that?

THE PRESIDENT: I do not know. I have not got down to that yet.

Q On the Supreme Court? Anything in that?

THE PRESIDENT: Now, you see, you are using what they call the "restrictive" method.

Q High pressure?

Q I will be more direct: Did the Attorney General bring the recommendation for the First Circuit Court of Appeals?

THE PRESIDENT: Not yet.

Q Mr. President, do you expect to have one or two vacancies on that First Circuit?

THE PRESIDENT: I do not know. I have not gone over it. I think there are five or six up through New England.

Q Any of those nominations going down this week?

THE PRESIDENT: Oh, I think so.

Q Tomorrow? (Laughter)

THE PRESIDENT: I do not know. I cannot even tell you the hour.

Q Mr. President, can you comment on the report that Mr. Messersmith may be given a diplomatic post?

THE PRESIDENT: No. You know on all those things, appointments, I never do any commenting until sometimes they get up to the Capitol

before you fellows get them.

Q That is too often.

Q Could you comment on reports appearing in the papers recently that you have been telling callers that you think Secretary Hull would be an admirable successor to yourself?

THE PRESIDENT: The only comment I can make is that those were 1939 and I hope the writers have turned over a new leaf in 1940. (Laughter) That ought to hold somebody.

Q Mr. President, in an article on the third term by Rex Tugwell, which is subtitled, "I Hope So, but I Doubt It," he concludes with the following sentence: "The progressive citizen must consider now who is his second choice if we cannot have Roosevelt again."

THE PRESIDENT: Who did that?

Q Rex Tugwell.

THE PRESIDENT: Did he really? (Laughter)

MR. YOUNG: Thank you, Mr. President.

THE PRESIDENT: Well, I hope you have a good week.

CONFIDENTIAL
Press Conference #612 - Budget,
Executive Offices of the White House,
January 3, 1940, 3.00 P.M.

THE PRESIDENT: My God, what do you know about dollars and cents?

Q (Mr. Godwin) What are they?

Q I am solvent. (Laughter)

THE PRESIDENT: You are richer than I am. I have got to have another dime campaign.

Q (exhibiting some coins) I can at least get home.

THE PRESIDENT: Yes.

When did you get this (indicating Budget release), how long ago?

Q About an hour and a half.

THE PRESIDENT: Did you have a chance to look at it?

Q Yes.

THE PRESIDENT: Well, Steve suggests that I repeat the annual warning for the protection of the old-timers and the admonition of the newcomers, that this is all off the record, completely, and not to be used until the release hour which will be -- it will go up at twelve o'clock and as soon as it is presented to be read, which, I suppose, is in the House. Is it all right to go?

Q Do you also include the general prohibition against a story about this Conference?

THE PRESIDENT: What do we do about that?

MR. EARLY: Nothing is written about the Conference. It is merely for their information, sir.

THE PRESIDENT: Yes.

Q That will make it clear.

THE PRESIDENT: Well, let's go through it -- that is the easiest way -- and then, if you have any questions about the figures we will go over the latter pages.

In the first paragraph -- I will just touch the high spots -- the expenditures for the following fiscal year are $675,000,000. less than the current year. The receipts for the following fiscal year are estimated at $382,000,000. up from the current fiscal year and we estimate that we can recover $700,000,000. of excess capital funds from various Government corporations, which would leave us with a net deficit of $2,176,000,000. as compared with an estimated deficit of this year of $3,933,000,000. That is, as you will see, a gain -- that is to say, a reduction in the estimated deficit of $1,800,000,000.

Furthermore, if tax recommendations totaling $460,000,000. are adopted, that would reduce the deficit to $1,716,000,000.

Then, looking at it from the other angle, these appropriations, excluding those for debt retirement, they are estimated at $8,101,000,000. as against $8,889,000,000., or nearly $800,000,000. less than this year.

Then we have the review of the fiscal policy. The last paragraph of the page is a simple statement that the fiscal policy was disastrous in practice and came near bankrupting both the people and the Government.

On page VI (of the Budget Report for 1941), the next page, we tried to adopt a more realistic policy to meet the problem of idle men, idle factories and idle funds. We had to use idle funds

to put idle men to work, to put purchasing power in the hands of the people who needed it and to create a demand for the product, which had a profound effect on both the Government and private incomes. The national income between 1933 and 1937 rose from $42,000,000. a year to $72,000,000. a year, which was the largest absolute rise for any year in our history, not even excepting the rise during the World War. The tax revenues rose from $2,000,000,000. to over $5,000,000,000., primarily because people had more income out of which to pay taxes. The people paid $3,000,000,000. more in taxes but they had nearly ten times more than that, or $30,000,000,000. to spend on other things. Then I put in a line, just so you fellows would not overlook it, saying that this statement deserves a headline. In other words, it is a new method I devised for getting things across. I hope it will work. (Laughter)

During those years, 1933 to 1937, we made definite progress toward a balanced budget so that in 1937 the excess of outgo over Government cash income had dropped to $331,000,000.

Then came the breaking out of a new lack of balance, as you know, in 1937 but, in the spring of 1938, because of it I recommended a further use of Government credit. Congress acted on the recommendation and instead of having a complete nose dive in national income, such as we had before, the national income only dropped about eight billion dollars instead of forty-two billion dollars. In other words, we prevented the recession from becoming a continuing snowball of depression. Of course now we know that things are on the upgrade very definitely again.

Then on the next page, (reading) " . . . the withholding of

Government credits in time of need for political advantage is no less reprehensible than its profligate use at any time."

In approaching the Budget for the fiscal year 1941, we tried to relate it to probable economic necessities. We are achieving the highest levels of production and consumption in our history and, as I said in my Message, the actual production figures -- of course, not in every line but the average -- are up to 1929 figures. That is not in cash, as you all know, but in terms of goods because, in cash, the prices that these goods are bringing are a good deal lower than in 1929. Of course it does not mean as many people are at work as in 1929 -- this is not in this (report) -- because of the improvement of machinery of all kinds.

Because of the extent to which recovery has progressed and the degree to which speculation and price increases have, on the whole, been kept in check, it has been made possible for us to consider a substantial lessening of Government expenditures in activities not immediately essential for national defense.

Employment still lags below, as I spoke of it before, because so many workingmen have been displaced and, in addition, there are five million net addition to the labor force because of the growth of the country. (Reading)

> "Against this background of aims substantially but not fully attained, I propose in the field of fiscal policy that we adopt the following course: We should count upon a natural increase in receipts from current taxes and a decrease in emergency expenditures, and we should try to offset the unavoidable increase in expenditures for national defense by special tax receipts, and thus hope to secure, for the over-all picture, a gradual tapering off, rather than an abrupt cessation, of the deficit."

On page VIII, under "Expenditures," we have this table which, I suppose, is about the simplest presentation of Government expenditures that we have ever had. There are seven items and, curiously enough, all of them are very nearly the same size. (Reading)

"National defense $1,800,000,000
Work relief programs 1,300,000,000
Agricultural programs 900,000,000
Public works and investments 1,100,000,000
Pensions, retirements, and assistance . 1,200,000,000
Interest on the public debt 1,100,000,000
Regular operating 1,000,000,000

Total 8,400,000,000

"This table presents in a simple form which any layman can understand, the principal divisions into which Government expenditures fall. I constantly marvel at the glib generalities --"

This is not meant for newspapermen but for columnists. (Laughter)

(Reading)

"-- to the effect that if one has but the will to do so anybody can reduce Government expenditures by vast sums sufficient immediately to 'balance the Budget.' It costs nothing to make such statements --"

A lot of people make a lot of money making statements.

Q Wouldn't you include Senators in that?

THE PRESIDENT: Oh, no. (Laughter) You see, I cannot criticize the Congress. (Laughter) It is unconstitutional or something like that. (Reading)

"-- and they can be decorated to fit into the applause of many audiences.

"But it is the old, old story of the man who loves to utter generalities and changes the subject abruptly when he is pinned down to hard facts.

"In these headings, for example, I do not believe that the majority of the people in this country want to reduce the budgeted estimate of $1,800,000,000

for national defense. This is an increase, of course, over the current year, but it is far less than many experts on national defense think should be spent, though it is in my judgment a sufficient amount for the coming year.

"I do not believe that the majority of people in this country want to see the work relief programs for the coming year reduced below $1,300,000,000. This sum, in itself, covering the activities of the Work Projects Administration, the National Youth Administration, the Civilian Conservation Corps, and grants of the Farm Security Administration represents a large--perhaps too large--reduction of current expenditures.

"I do not believe that the majority of people feel that the agricultural programs should be reduced below the figure of $900,000,000 because this figure, in itself a large reduction below the current year, will be barely sufficient to carry out soil protection and surplus removal operations."

It is the same thing in regard to public works and investments. I do not think we can go below that because this amount contains practically no money for new projects in any part of the country.

I do not believe we can go below the figure of $1,200,000,000. for pensions. It is not much use talking about that because Congress won't do it anyway.

The same thing on Henry Morgenthau's $1,100,000,000. for interest on the public debt. We cannot reduce that but we should remember that the rate paid is a third lower than it was in 1929.

(Reading)

"All of these items amount to estimated expenditures of $7,400,000,000 and there remains only one other item of $1,000,000,000--12 percent of the total--for the operating costs of the regular departments of the Government. These are down to the bedrock of the activities and functions ordered by the Congress. If further savings are to be made in these operating costs, the Congress will have to direct by statute the elimination of many functions. And even if they should do so, the

amount saved in this Budget could only be a small percentage of the total."

Now we come down to national defense: (Reading)

"National defense.--These estimates represent expenditures needed to develop and maintain our normal defense preparations."

Perhaps that is not quite the right way of putting it because they represent additional appropriations that were made in the last two Congresses, I think, which we have not yet completed and are in the process of carrying out and the money has not, of course, all gone out.

Q Does that include authorizations too?

THE PRESIDENT: No. (Reading)

"They also include, in view of the current world situation, the emergency expenditures required for the War and Navy Departments, the Coast Guard, Department of Justice, and the Panama Canal."

Most of which, as you know, we started last September and it cost somewhere around $250,000,000. for this fiscal year. To carry them on in the same way, practically nothing new, during the fiscal year 1941, will cost about $300,000,000.

Q Mr. President, does that explain the difference between -- in this first table on page VIII, national defense is given at $1,800,000,000. and the first of the regular tables for the year, on page XIX, national defense is given as $1,539,000,000. I wondered what the difference between those two items was? That is item 4 in section II of this first table.

THE PRESIDENT: Well, if you will add to that $1,539,000,000. and look further down, you will see item 14 on the same table, $300,000,000. and that about gives it to you. I am good, I found it myself.

(Laughter) (Reading)

> "In order that these emergency requirements may be clearly shown I have segregated them for both the fiscal years 1940 and 1941. They call for supplemental appropriations of $272,000,000 in the fiscal year 1940, and appropriations of $302,000,000 in the fiscal year 1941."

Well, you might say on that that the monthly costs will not be as high next year as they have been this year because, you see, they will be for twelve months and this year we did not start actually spending any of this money until about the middle of September. We had gone two and a half months into the fiscal year.

Q This difference of $272,000,000. between what you asked for and $160,000,000. of expenditures, does that mean you are going to keep down that $272,000,000.? The expenditures are estimated at $160,000,000.

THE PRESIDENT: Yes, because this year the estimated expenditures of $160,000,000. -- we are at the present time and have been for several months obligating money which won't be paid out until after the first of July.

Q It comes out of the $272,000,000. appropriation?

THE PRESIDENT: Yes. (Reading)

> "Expenditures are estimated at $160,000,000 and $300,000,000 in these two years. This segregation will, I hope, help to focus attention on our emergency defense expenditures, and the problem of financing them. It will also facilitate the return to a normal --"

I should have said "more normal" -- (Reading)

> "-- defense program when the current emergency has passed."

Then on work relief: (Reading)

"Work-relief programs.--For the purpose of this summary I have included the activities of the Work Projects Administration, the National Youth Administration, the Civilian Conservation Corps, and the grants of the Farm Security Administration.

"In submitting estimates for these agencies I have taken into consideration the current improvement in business conditions. The first effects of increased business activity have not resulted in a proportionate reduction in relief needs. This is because the increase in employment has affected principally those who have had casual or part-time work. But there is reason to hope that a continued expansion of business would diminish relief requirements substantially."

Well, of course this is based, by the people who know more about it than any of us, on the general theory that when a factory starts running full time and starts taking on new people, the chances are it takes on the people who have been most recently discharged, in most cases people who have not been on relief rolls. And then, a second large group are other members of the same families who are already employed but, again, are not on relief rolls. The general theory is that they are, at the present time, using up that labor supply, that is to say the people who have been working for them before, but are not on relief, and other members of the same family that are not on relief. Now, if the upturn continues, the next group they will have to go to are the people who are on the relief rolls. In other words, there is a lag and we hope that lag is very nearly at an end and we hope now that there will be more and more a picking up of people from the relief rolls. That is why we have been, perhaps, too drastic on all these relief estimates, the W.P.A. (Reading)

"While the estimates are appreciably less than those for the current year, I am hopeful that they will prove adequate. The Work Projects Administration will be able to provide employment for an average of 1,350,000 persons. The National Youth Administration can employ an average of nearly 600,000 American youths, and the Civilian Conservation Corps --"

I want to make it perfectly clear that these estimates are based not on a guess, not even that, but on a hope that the upturn is going to continue as an upturn; in other words, that the curve will go up. If it does, these estimates will be all right but if that curve either levels off or goes down, sometime while this session of Congress is still here, it seems perfectly obvious that I will have, in order to prevent hardships and starvation, that I will have to ask for more money.

Q Mr. President, then you are not asking for this amount now? You are going to wait and see what happens?

THE PRESIDENT: I am asking for it now and then, if the hope is not fulfilled, I am going to ask for more.

Q The present relief rolls are around 2,000,000 (men). You say 1,300,000 here. The present is 2,000,000, I think.

THE PRESIDENT: The average for this year will be about 1,900,000 people, or a little less, about 1,850,000 people.

Q This year? You mean the 1940 calendar year?

THE PRESIDENT: This fiscal year.

Q The 1940 fiscal year?

THE PRESIDENT: Yes.

Q That is the average?

THE PRESIDENT: Yes. You see, under this year's appropriation, as

Harold (Harold Smith, Director of the Budget) says, when we get to the month of June, under the Act, we will have only a million people on W.P.A. rolls. We have two million at the present time. You will remember they submitted a schedule to the committee up there that showed how many for each month of the year and it gets down to a million in June, which means that this total, I mean this average of 1,350,000 (men), that probably in July and August of 1940 we would still run at the rate of a million and in September we would step it up to 1,200,000, in October to 1,300,000 and in November to 1,400,000 or 1,500,000, but we would keep this average of 1,350,000.

Q Are you holding within your appropriation this fiscal year?

THE PRESIDENT: Yes.

Q Could you give us the comparative figure showing the reduction that this makes in the number of American youth and C.C.C.? Is there any change, substantially?

THE PRESIDENT: N.Y.A. is down from $100,000,000. to $85,000,000. That is fifteen per cent less.

Q Is that the amount of money appropriated or the number?

THE PRESIDENT: The number of people. It would be the same thing both ways. It works out the same thing in people and money. So you can find the number of people on N.Y.A. this year by dividing this 600,000 American youths by 85 and multiplying by 100.

Q How does that pertain to C.C.C.?

THE PRESIDENT: C.C.C. is down to what percentage?

MR. BLANDFORD: (Assistant Director, Bureau of the Budget) From 295,000 to 230,000.

THE PRESIDENT: From 295,000 to 230,000 and there again, at the present time, the applications for enrollment in C.C.C. camps are falling off very materially from week to week -- going down.

Q That is because --

THE PRESIDENT: (interposing) They are getting jobs.

Q Do you set down in dollars how much of this $1,300,000,000. is set aside for W.P.A.? It does not seem to be on the schedule?

MR. BLANDFORD: Is that W.P.A. expenditure? $1,000,000,000.

THE PRESIDENT: $1,000,000,000. is W.P.A.

MR. BLANDFORD: And $125,000,000. is Farm Security.

Q What was that second figure?

Q $125,000,000. is Farm Security.

Q What is that $122,000,000. figure then, Number 9?

THE PRESIDENT: What table?

Q Page XIX, item 9 says Work Relief $122,000,000., and then down below it says "Supplemental items: Relief --"

THE PRESIDENT: (interposing) You see you have to take 9 and the second item under 13 together.

BUDGET DIRECTOR SMITH: Nine and the remainder of P.W.A. expenditures.

Q P.W.A.?

THE PRESIDENT: And the second item under 13 is relief, W.P.A.

Q Is that practically the Works Progress Administration?

THE PRESIDENT: And Farm Security. (Returning to a reading of the book)

Then very much the same thing has to be said about the next item of agricultural programs. We have included the agricultural adjustment benefits, the surplus removal program and the parity payments from the 1940 appropriations; in other words, there will

still be left after the first of July this year $140,000,000. not yet paid to the farmers for parity payments. But it is obligated.

MR. BLANDFORD: $170,000,000.

THE PRESIDENT: $170,000,000. still left that will be paid out to the crop producers after the first of July this year.

Q That is parity payments?

THE PRESIDENT: Parity payments. But they are obligated. Is that right?

MR. BLANDFORD: That is right.

THE PRESIDENT: I mean by that that they will come into the flow of purchasing power after the first of July.

Q Mr. President, in connection with your surplus removal program -- I have not checked through the Budget -- does that include the cotton export subsidy and the wheat export subsidy? Are you continuing those?

THE PRESIDENT: I think they still come out. That is a thing we cannot very well budget. They come out of the customs receipts. (Reading)

> "I have not, however, included estimates for new appropriations for parity payments in 1941."

This is just like the relief thing, I am going on the (Reading)

> "-- hope that next year's crops can be sold by their producers for at least 75 percent of parity."

They are pretty close to that 75% of the parity prices now, or have actually attained it in a number of cases. You take, in the case of cattle, the price of cattle is actually above the 75% of parity. In the case of wheat, it is awfully close to it and in the case of cotton it is awfully close to it.

Q Is the law of 75% parity the rule?

THE PRESIDENT: We have been doing that for two years. The thing we

have to remember is that under the law for the last two years we have been giving out these parity payments in order to bring the cash receipts of the farmer up to 75% of what is the parity figure. We are so close to it now in wheat and cotton that we hope to be up to it by next spring. We are over it in the case of cattle. Therefore it is not being pushed. But it is perfectly fair to say, as I said to Senator Bankhead the other day, that that is the policy adopted by the Congress for two years and if it is necessary to appropriate money to bring the payments the farmer receives up to 75% of parity later on in the spring, of course I will ask for it.

Q Have you a suggestion as to a tax to offset it?

THE PRESIDENT: Oh, I think there is something about that later on, in very polite language, of course.

Q Secretary Morgenthau does not seem pleased.

THE PRESIDENT: I do not say processing tax. You see, now he smiles. It is all right.

Q Is that the certificate plan you discuss later on?

THE PRESIDENT: No, I do not discuss that. Oh, no, I am not discussing that. (Laughter) Oh, here it is, right the next sentence:

(Reading)

> "I do not suggest in any way abandonment of the policy of parity payments heretofore adopted, and future events may call for some appropriation to this end. I note, however, in passing, that the Congress has failed to make any provision for the financing of these payments already made or obligated for 1938 and 1939 crops."

Then, on public works: Now, this is predicated, the whole thing, on something -- oh, it must have been at least three years

ago that we, at least the administrative branch of the Government, adopted a national policy which was to spend an average of $500,000,000. a year on public works of various kinds. In other words, we felt that the country needed about that average expenditure and that we ought not to spend more, except in times of real emergency where we had to put people to work. In the same way, in flush times, we ought to keep down below the $500,000,000. level. Of course, in 1938, we jumped the amount pretty well above $500,000,000. and last year the Congress put in a great many additional items over the recommendations and it got way above $500,000,000., so I am trying to go back to that $500,000,000. theoretical amount that the Government ought to spend in the average year. (Reading)

> "Public works and investments.--This broad class of expenditure represents the use of Federal capital for investment in useful public works, for ship construction, and for loans largely for aid to agriculture.
>
> "While the expenditures for these purposes in 1941 remain large, a substantial portion of them arises from existing appropriations or takes the form of reimbursable loans.
>
> "The estimated expenditure for the general public works program is $641,000,000, but the proposed new appropriation for this item to carry on already authorized projects is only $498,000,000. To obtain this relatively low figure the starting of important new projects has had to be postponed and the purchase of additional land has had rigidly to be limited. This action brings the public-works program down to the minimum goal of $500,000,000 a year suggested by me on several previous occasions, and conserves the reservoir of public projects for a time when private construction declines."

Q Mr. President, may I ask a question there? You say, "for ship construction." Is that for naval construction?

THE PRESIDENT: No, that is all maritime.

Q Can you tell us one or two of the big projects that will be held up?

THE PRESIDENT: No existing projects, only new proposed projects.

Q Can you tell us what some of those are?

THE PRESIDENT: Oh, I do not remember any very big ones, outstanding ones. There are flocks and flocks of little ones that the Army Engineers approve almost automatically, such as dredging down at the mouth of the Potomac River, et cetera, also on highways we have been way over the limit of highway construction.

Q Will that include these so-called self-liquidating super highways?

THE PRESIDENT: No. (Reading)

> "Last year, in the interests of more accurate and intelligible statements of the financial operations of the Government, I invited the attention of the Congress to the desirability of capitalizing certain capital expenditures of the Government that have proved to be self-liquidating. I renew that recommendation at this time. As before, I would confine this principle to projects that are definitely capable of yielding revenues sufficient to defray, with interest, their cost of construction. In accordance with this principle, I propose that the requirements for new self-liquidating loans of the Rural Electrification Administration be met through funds advanced by the Reconstruction Finance Corporation instead of by direct appropriation."

Well, I do not know, I suppose some day Congress will act on that. There are some perfectly obvious things we ought to do that will bring Government operations into what might be called the ordinary businessman's methods. Boulder Dam, for example, has outstanding about a hundred million, a little over a hundred million dollars of Federal money that came out of the taxpayers' pockets. Well, the thing is paying, paying its way handsomely

and, of course, any private corporation would proceed to capitalize that, and that ought to be capitalized. It would mean, really, a hundred million dollars which would be returned to the Treasury, thereby relieving that much burden on the current taxpayers. The bonds could be sold to the public with the assurance, because the thing is working, that it was a sound investment. We have not quite got to that point but we are very nearly to that point in the case of Bonneville, where the contracts are being put out every day for the sale of power and, when that gets a little further along, we ought to capitalize and return to the Treasury that portion of the cost of Bonneville which relates to power.

In 1942, when Grand Coulee is finished and in operation and people are moving in there onto this new land, we ought to capitalize that portion of Coulee which is making money. There are a lot of other things of that kind which should be, in our judgment, capitalized and sold to the public as a good investment, a proven investment, which would return to the Treasury several hundred million dollars. It is a perfectly simple and a perfectly businesslike thing to do just so long as some -- that is the only objection -- the only possible objection is that some future Congress may run wild and try to capitalize, in that way, projects not yet proven. I think we ought to be careful not to extend that to anything not proven to be a financial success.

Q What capital sum would you suggest would be possible on the projects now existing? A hundred million dollars for Boulder Dam --

THE PRESIDENT: Oh, I suppose we could get up to two hundred million dollars right away.

Q Over a period of ten years, would it go to a tremendous sum?

THE PRESIDENT: No, because we did not put an enormous amount of money into self-liquidating projects. But, you see, I have another recommendation as to projects which are not self-liquidating.

Q On the rural electrification, they will get their money from the R.F.C. and the R.F.C. will, in turn, sell its obligations to the public?

THE PRESIDENT: That is right, and the security behind it is the contracts for the distribution of power.

Q Does that, Mr. President, require any legislative act by the Congress or is it entirely possible to do that through the Budget?

THE PRESIDENT: I think we have to get legislation. It can be done in the appropriation language.

Q Would these new securities put out on the self-liquidating projects, would you make those contingent liabilities of the Federal Government?

THE PRESIDENT: Oh, they would be just like the R.F.C. liabilities. There is a whole page in here of the same character. Yes, it is a contingent liability.

Q On the idea of capitalizing these proven projects, is something of that sort contemplated to provide the Government corporations with the $700,000,000. to contribute back to the Treasury?

THE PRESIDENT: That is because we think they have too much capital. It is unused capital.

Q Where did they get that $700,000,000.?

THE PRESIDENT: When they were first set up.

Q Where are they going to get it now?

THE PRESIDENT: Now we think they have too much of it.

Q What are the principal agencies?

THE PRESIDENT: R.F.C. and Farm Credit are the two principal ones. I think Home Owners' Loan Corporation comes in on that.

You see, take the case of the H.O.L.C.: As loans are paid down and the new loans that are being put out by H.O.L.C. are nothing like as big as they were in the rush of 1933 and 1934 -- now, those loans are being paid down, year by year, and each year, as they are being paid down, the H.O.L.C. requires, as a matter of safety, less capital.

Q Is that money actually paid out through these agencies?

THE PRESIDENT: Yes.

Q Does that require an Act of Congress?

THE PRESIDENT: No, we can do that without an Act of Congress.

Q That is, in effect, adding $700,000,000. to the assets of the fiscal year?

THE PRESIDENT: This money that we paid out on the Treasury books in previous years is now coming back into the general fund. It came out of the general fund in the beginning and is being paid back into the same general fund.

Q Virtually the same as revenue?

THE PRESIDENT: Yes, because it came out of the revenue and now it is going back.

Q It has been shown, previously, as expenditures?

THE PRESIDENT: Yes.

Q And now it is revenue?

THE PRESIDENT: Yes.

Q It must appear in the revenue side of the Budget?

THE PRESIDENT: Yes, as an item on the receipts side.

Q Mr. President, as an actual thing, it won't come as actual cash, will it? Won't it be more or less cancelling notes or things of that sort?

MR. LAUCHLIN CURRIE: Actual cash.

THE PRESIDENT: Actual cash.

MR. LAUCHLIN CURRIE: There is a discussion on the next page.

THE PRESIDENT: Then the next item is pensions, retirements and assistance. We know what that is. That is an item that cannot be reduced unless you cut the pensions.

Interest on the public debt is in the same way. The interest paid in 1929 was 3.9 per cent and the present point is 2.6 per cent.

Then you come down to the current expenses: (Reading)

> "Regular operating expenses.--This item represents the basic financial requirements of the Government. Blue pencil inroads are not easy to make. In the face of large and appealing requests for increases I have held appropriations and estimates of expenditures generally to the 1940 level or below. Where legislation has added new activities I have offset the cost by reductions in old activities.
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> ---
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> "I have carefully checked the individual estimates under these broad categories and I am satisfied that no lower figures can be attained except at the expense of impairing the efficiency with which laws are administered or of working undue hardship on individuals and economic groups. I refuse to accept the responsibility of adopting either alternative."

And I might almost add to that, that I cannot legally cut out functions when I am told by Congress that such and such a depart-

ment has got to carry out such and such a function.

Q May I ask you a question? In the regular operating expenses and your balancing of old activities against new activities, have you any picture in your mind as to what this has done to personnel in the Federal Government setup? Here in Washington there are a tremendous lot of rumors and statements to that effect.

THE PRESIDENT: I would say that there will be a little change, but very little. Take the first page of the General Budget Summary, take the first item under expenditures, "Legislative, judicial, and executive." It has gone up, the 1941 Budget, from $35,000,000. to $37,000,000. Now, the reason for that is threefold: first, in the Executive Department, we are spending more money for the Bureau of the Budget, which is financial planning and efficiency; more money on the National Resources Committee [Planning Board ?], again planning. The two of them are not very high increases. The Judicial Branch of the Government will be the same here in the District as in other judicial circuits. Of course Congress has added an awful lot of new judges, which means that every new judge has got to have a clerk or two and a stenographer or two in the courtroom, and they are required by the Congress to keep the new courts going. The same way on the legislative end, the Congress itself is spending more money on itself, and that is nearly all here in the District of Columbia so I do not think you need worry about that item.

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Then the civil departments and agencies are reduced from $993,000,000. to $952,000,000. and, of course, the bulk of these expenditures is outside of the District of Columbia.

There will be some decrease; there will be some jobs that

will be abolished in the District of Columbia but you can see that it is a pretty small percentage. The general Public Works Program is cut from $687,000,000. to $641,000,000. -- again, nearly all of that is outside of the District of Columbia. There will be some loss of jobs in the District of Columbia but not an awful lot on a percentage basis. It is not material.

Q What would you call it, five per cent?

THE PRESIDENT: Oh, no.

Q One per cent?

BUDGET DIRECTOR SMITH: It would not be five per cent.

THE PRESIDENT: It would not be five per cent, no.

Then we come to the other side of the Budget. (Reading)

"Revenue estimates.--Total tax revenues are estimated at $6,151,000,000. Tax revenues, after deducting appropriations to the old-age security fund, are estimated at $5,548,000,000. Although net revenue collections for the fiscal year 1941 are estimated to exceed by $382,000,000 the estimated collections for the fiscal year 1940, the increase is not as large as some might have expected. This is owing partly to the inevitable lag of tax collections behind increasing incomes, --"

Of course, the simplest way of explaining that is that a company or an individual that makes a lot more money in January, 1940, this month, we won't get it, more than half of the taxes on that, in the fiscal year, even in the fiscal year 1941, because they won't file an income tax until a year from this March, whether it is a corporation or an individual, and in the spring of 1941, there will be two payments on that and two of them in the fiscal year 1942, so there is a real lag before the cash on this month's profits gets into the Treasury.

Then there is one other reason, which is a thing which I cannot go into details about until after the March returns come in, but we fear there is an impairment of the tax base because of the revision of corporation taxes in 1938 and 1939, of corporate and individual income and capital gains taxes.

You will remember the bill which I did not sign and let become a law without my signature. The people that were supposed to know said that the decrease in revenue as a result of those changes would be very, very small. I think last year the estimate of the Senate Committee, the finance committee, said that the total loss of revenue would not exceed $20,000,000. or $30,000,000. and a lot of other people said there would not be any decrease in revenues at all because of the changes. Now some of us -- frankly we do not know -- but we are afraid that the changes in the tax laws may cost the Government much higher figures, somewheres as high as $250,000,000. or $300,000,000. But we do not know and won't know until March.

Q In case such a situation develops, you may recommend changes in the tax law, based on what you find?

THE PRESIDENT: Oh, we will have to see what the real changes are. I won't commit myself.

Q You figure $460,000,000. additional taxes to cover increased emergency defense expenditures?

THE PRESIDENT: $460,000,000., yes.

Q For that purpose, as a factor in your Budget for 1941, are you contemplating there taxes which are immediately collectible?

THE PRESIDENT: If we can, yes. In other words, any new taxes to bring

in $460,000,000., I would like them so worded that they will bring in that sum before the thirtieth of June, 1941.

Q Would that mean any addition to the income tax for that purpose?

THE PRESIDENT: No. You can always bring any increase in in the first half of the calendar year if you want to, instead of spreading it.

Q Would that spread this increase over two years?

THE PRESIDENT: No, they could not do it. I am not suggesting this, I am simply pointing out that it is a legal possibility. They could do what I did, I think it was in my last year as Governor of the State of New York. We were not getting any Federal aid to take care of our unemployed and we were taking care of an enormous number of them in 1932 on a home relief basis. Of course we did not have the money to give them work and I recommended to the Legislature and got passed a special income tax, I think it was two per cent, which you added to the net amount that you were to pay the State. Do you remember what it was, Henry?

SECRETARY MORGENTHAU: It was $19,000,000.

THE PRESIDENT: It brought in $19,000,000. and it was made retroactive to the calendar year 1931.

Q That is, on the same system, we might assess this tax to be paid back to March?

THE PRESIDENT: I am not making any recommendation but it is a method of doing it.

Q Did not an amendment of that character pass the Senate at one time, back in 1934?

THE PRESIDENT: I think it did.

Q A ten per cent increase?

THE PRESIDENT: A ten per cent increase.

The next item is "Return of surplus funds from Government corporations." This thing explains it as well as we can at this time. You do not have to read it. (Reading)

> "On the basis of preliminary studies, I estimate that it will prove feasible to reduce the capital funds of some of these corporations by an aggregate figure of $700,000,000, without in any way impeding their operations."

Q May I ask what total the Government has put out in these capital stock funds?

THE PRESIDENT: About three and a half billion.

Q That means actual cash out of pocket?

BUDGET DIRECTOR SMITH: That is the Government's interest in all public agencies and corporations.

Q Acquired by actual cash?

BUDGET DIRECTOR SMITH: Most of it was for securities issued by the corporations.

Q Is there a breakdown of this $700,000,000.?

THE PRESIDENT: No. That is being done by letter as it goes along. There are letters to a couple of the agencies to please make arrangements to have this money paid back. There will be some awful squawks probably.

Q Will it be paid back immediately?

THE PRESIDENT: As soon as they can get around to it. It probably won't all be paid back until after the first of July because it takes a good deal of time to work things around to get the cash to pay it back.

Q It means first you are going to ask them how much they will give

up voluntarily?

THE PRESIDENT: Practically.

BUDGET DIRECTOR SMITH: It might be more.

THE PRESIDENT: He (Mr. Smith) says it might be more, but he is an optimist.

Then, on the national defense taxes, I want to point this out: Of course a lot of people will say, "Why make this a special tax for national defense? After all, it goes into the general fund of the Treasury." Theoretically, that is perfectly true but actually it is much easier to make the country understand that on everything else of the Government practically we are reducing the expenditures this year. That was the trap that the Republicans fell into about two hours ago up on the Hill, and they applauded vociferously. But the fact is, I go a little further than they did because not only do I want to reduce all the main items in the Budget but on the only item, national defense, where there is an increase I think we ought to pay for it currently instead of settling it on future generations. From the point of view of the average citizen, it is an easier thing to understand if you say to them, "This is a national defense tax," rather than to say, "This is a tax further to reduce the net deficit in the Treasury." That does not mean anything to me; it leaves me cold. But I know, if he has a specific thing to bring that item in with all the other items, that is a simple thing.

Q If you want money for farm parity payments, isn't it the same proposition?

THE PRESIDENT: Yes, I think that is true. In other words, we have

talked about that for two years. It does not have to be labeled that, of necessity, but you can tell the country, "This is the reason for the extra tax."

Q Would that hold for an additional relief appropriation?

THE PRESIDENT: Of course I think there is a reductio ad absurdum beyond which you cannot go. This original table on page VIII is the easiest way of putting it up to the country, these seven items.

Q Is the $460,000,000. proposed for new taxes, is that an increase --

THE PRESIDENT: (interposing) Since, roughly, last September.

Q It would not necessarily be the exact increase this coming fiscal year, for this fiscal year?

THE PRESIDENT: No; it represents the $160,000,000. that will be spent this year plus $300,000,000. next year.

Q You have given us, as an example, this New York tax you have told about. Do you have any other suggestions here, on the pay-as-you-go or some other way this $460,000,000. might be raised?

THE PRESIDENT: No, and that was not a suggestion. That New York thing I used as an illustration of the method of bringing it in before the end of the year 1941, actually into the hands of the Treasury. I am not making any recommendations as to how to get that $460,000,000. in.

Q Have you made some studies along that line with reference to the Federal tax situation?

THE PRESIDENT: I am, yes. The Treasury is doing that all the time.

Q What is the over-all figure on national defense spending proposed in this year, which will be spent this entire fiscal year?

THE PRESIDENT: You have got that there in that table. It is in there.

Q It is not very great if you add the deficiency appropriation. It will be very close to the same thing.

THE PRESIDENT: Not very much.

Q Mr. President, along that line, could Mr. Smith (Director of the Budget) give us all the figures for the last year of the eight items on that?

THE PRESIDENT: Can you get out a similar table for 1940? I do not think we have ever done it.

BUDGET DIRECTOR SMITH: We do not have it here.

THE PRESIDENT: If you can persuade somebody in the Budget to do it next week. They are going to take a holiday after today.

Q Mr. President, do you place excise taxes in the category which would tend to decrease the consumer buying power?

THE PRESIDENT: I am not recommending one way or the other. I think the Secretary of the Treasury brought it out the other day, the thought about sixty-three per cent of our taxes which should be classified as taxes on consumer buying power. Of course that is an awfully high percentage.

Q Do excise taxes fall in that sixty-three per cent?

THE PRESIDENT: Yes. Of course, as a general matter of national policy, I think that figure of sixty-three per cent ought not to go up. It is too darned high now. It is the kind of tax that hits all of us fellows.

Q Don't individual income taxes fall in the same basis?

THE PRESIDENT: No.

Q Would a processing tax do that?

THE PRESIDENT: Yes, probably it would, not all of it but most of it

would. In other words, that portion of processing taxes which is turned over (passed on) to the consumer falls into that category. It depends a little on the price of things like loaves of bread.

Right down here (indicating) I have got the same thing.

(Reading)

> "In seeking additional sources of revenue, I hope that the Congress will follow the accepted principle of good taxation of taxing according to ability to pay and will avoid taxes which decrease consumer buying power."

Q Mr. President, our understanding is that the sixty-three per cent that Secretary Morgenthau talked about includes everything outside of income taxes, that he had real estate taxes there.

THE PRESIDENT: We do not impose real estate taxes.

Q The sixty-three per cent he talked about included state and local taxes and if you are barring everything under that sixty-three per cent, all that is left is the income tax.

THE PRESIDENT: You cannot take all real estate taxes. Some are and some are not. You have to get down to the individual piece of real property.

Q Why is not the individual income tax a tax on consumer power? I am not being argumentative, I am asking for information.

THE PRESIDENT: Well, the other side is a tax according to the ability to pay. You can argue it any way you want to. (Reading)

> "The deficit.--The deficit for the fiscal year 1941 is estimated at $2,176,000,000, as contrasted with $3,933,000,000 for the fiscal year 1940. It is expected that these deficits will be met in normal course partly by additional tax collections, partly by carrying lower balances, and partly by borrowing. If the Congress adopts my recommendations with reference to taxes the deficit for 1941 will be reduced to $1,716,000,000."

Q This question might be slightly previous but I notice, in reading this Message, that there was no mention of an increase of the statutory debt limit. However, the Budget table giving the debt, estimated debt, at the end of the fiscal year is just about $100,000,000. short of the $45,000,000,000.

THE PRESIDENT: No, at the end -- where is that?

BUDGET DIRECTOR SMITH: Schedule four.

THE PRESIDENT: I am glad you brought that up at this time. Here is the simple picture: The public debt the last first of July, the first of July 1939, was $40,439,000,000. You see, that is the second figure. The estimated gross national debt on June thirtieth this year, 1940, will be $43,222,000,000. or, in other words, $1,778,000,000. short of the $45,000,000,000. debt limit. Right? Now, just keep that figure in mind, $1,778,000,000. short.

Now turn back. (Reading)

> "If the Congress adopts my recommendations with reference to taxes the deficit for 1941 will be reduced to $1,716,000,000."

In other words, the question of exceeding the $45,000,000,000. debt limit will not come up in the fiscal year 1941.

Q But there are three probabilities by which it might. One is relief, the second agriculture, and the third is what Congress might do about housing.

THE PRESIDENT: Oh, lots of things, public works of all kinds.

Q What is the policy?

THE PRESIDENT: If the Congress lives up to the recommendations, the question of the $45,000,000,000. debt limit won't come up for --

Q (interposing) Before election?

THE PRESIDENT: -- for action.

Q I hope it won't come up before election. (Laughter)

THE PRESIDENT: You are right. If they do exceed (the debt limit) it will be, as they say in New England, their fault and the Congress will automatically have to take up the question of increasing the debt limit.

Q The debt is actually there, isn't it? If they exceed the debt limit, there is no trick way of handling it?

THE PRESIDENT: If they exceed the debt limit in their appropriations and do not change the debt limit, what happens? I don't know. Here is Congress that has said to me, "You cannot spend more than X number of dollars," and out of the other side of their mouths they say, "You shall spend X number of dollars." Now, what does a poor devil like a President do?

Q Secretary Morgenthau said he is going to quit writing checks.

THE PRESIDENT: What does a President do?

Q I don't know.

THE PRESIDENT: I don't either.

Q I would like to make a bet that they will exceed the debt limit.

THE PRESIDENT: All right.

Q It appears you have the door open here yourself to exceed that debt limit because you say that if conditions --

THE PRESIDENT: (interposing) Yes, but believe me if I ask for more money, I will ask them to do one of two things: raise the debt limit or give me more money. But that is an "iffy" question. I hope it won't happen.

Q Is it up to you or the Secretary of the Treasury to call attention

to the point where the debt limit is reached?

THE PRESIDENT: Oh, of course you fellows will do it. (Laughter)

Q That is probably true.

THE PRESIDENT: Why should I bother?

Q (Mr. Godwin) Because you might have an eventful year. (Laughter)

THE PRESIDENT: Yes.

Q Unless Congress votes this $460,000,000. more for taxes, you will again be in the red.

THE PRESIDENT: Yes. It will be up to them. In other words, I say, "It is your move."

Q They won't have to move, however, until the next Congress? You have six months leeway in the next fiscal year?

THE PRESIDENT: I don't know, I do not know. In other words, we would not actually get over the $45,000,000,000. of expenditures out of the Treasury until after the first of January sometime.

Q Could Congress legally make appropriations beyond the debt limit?

THE PRESIDENT: I don't know. I have not the faintest idea and I don't believe anybody else has.

Q Doesn't the Treasury have the power under present regulations to evaluate its silver at $1.29?

THE PRESIDENT: Oh, yes; all kinds of tricks.

Q And it can apply that to the retirement of the debt?

THE PRESIDENT: Yes, and you have two billions in the stabilization fund.

Q Now, if Congress should appropriate money and then fail to make provision for increasing the debt limit, wouldn't that step have to be taken?

THE PRESIDENT: I do not know. I haven't even seen the bridge, let alone cross it.

Q This schedule on page XXV, that has the debt limit: You have a decrease in the working balance of $1,150,000,000. Does that mean the working balance is too large and you are cutting it down?

THE PRESIDENT: No. That is in this fiscal year?

Q That was too large?

THE PRESIDENT: That was last July. As I remember it last July -- Henry (Secretary Morgenthau) can tell it better -- as I remember it, last July we were away up at the top of our cash on hand. The reason was we were thinking about the probability of this European war breaking out so we went right to it and got an awful lot of money into the Treasury and, in the course of this year, had $1,150,000,000.

Q Before we leave the debt, as I recall -- I do not recall the exact figures -- but your Budget of a year ago estimated the national debt at June 30, 1940, to be $44,000,000,000., or somewhat closer to $45,000,000,000. than this figure. How does it come that the debt is not coming up to that?

THE PRESIDENT: We spent less. We spent more slowly than we had expected to.

Q In this figure of public works, is there anything included in that to take care of the hospital building program?

THE PRESIDENT: No.

Q In other words, if that program went through, it would automatically entail an increase?

THE PRESIDENT: Yes. It would still leave us within the $45,000,000,000.

because fifty hospitals at $150,000. apiece would be what, $7,500,000.?

Q I was a little puzzled about the money for P.W.A. Does that leave it in self-liquidating ventures?

THE PRESIDENT: Yes, for self-liquidating.

Q Does that include rivers and harbors?

THE PRESIDENT: This $641,000,000. includes post offices and highways and rivers and harbors. It includes P.W.A. loans and grants of $117,000,000. -- that is the cleaning up of the old program; other public works, $28,000,000.; Farm Security loans, $75,000,000.; Rural Electrification, $20,000,000.; Farm Tenant, $30,000,000.; Maritime Commission, $150,000,000. That item (Maritime Commission) is the only item that has gone up and the reason was that shortly after the outbreak of the war Jerry Land and I decided to step up the Merchant Marine building program and contract immediately for ships instead of waiting until this coming spring. We anticipated about six months.

Q This policy on the debt limit seems to indicate the possibility of balancing the Budget not so very far ahead, say about a year after next July?

THE PRESIDENT: Hope springs eternal. That is all I can say.

Q In connection with the Budget Summary on page XIX, there are three technical questions I would like to ask: In section II, Expenditures, item No. 7 (Aids to youth), we have there the sum of $308,000,000. Now elsewhere you have estimated $1,300,000,000. for relief, including N.Y.A., which I assume would be one of the aids to youth. Then there is that extra $125,000,000. N.Y.A., I

assume, is part of that $308,000,000. that you have as "Aids to youth."

THE PRESIDENT: That is N.Y.A. and C.C.C.

BUDGET DIRECTOR SMITH: Yes.

Q Let me see if I can make myself even clearer. You have down here the sum of $1,125,000,000. for emergency or, rather, for relief. That is your last item under section II (Expenditures).

THE PRESIDENT: That is W.P.A. and Farm Security.

Q Yes. Now, you estimated the total under the relief headings of $1,300,000,000. elsewhere, which would leave a difference of $175,000,000. to cover N.Y.A. and C.C.C. Then, up above, you have this item of $308,000,000. for aids to youth, so that there has to be a difference of $125,000,000.

THE PRESIDENT: I think the point is well taken. You have lost something?

MR. BLANDFORD: Under work relief program we are including the Farm Security grants as work relief. The loose money is provided for under aids to agriculture. That is the difference in that summary.

Q I see you have it under work relief, $122,000,000.

THE PRESIDENT: Is that all right?

Q That satisfies me.

Q Mr. President, on that same table, page XIX, the total receipts are $6,150,000,000. The next figure is $602,000,000., which is deducted from total receipts.

THE PRESIDENT: That is put into a separate trust fund.

Q Now, No. 9 (the reporter evidently meant No. 8, social security,

under the heading of Expenditures) is $436,000,000., which is deducted from the remainder of receipts.

THE PRESIDENT: No. 9?

Q No. 8, excuse me, which is deducted from the remainder of receipts. Does that mean from the current receipts of the next fiscal year there will be deducted, for one purpose or another, something over a billion dollars for social security purposes?

THE PRESIDENT: That item 8 is under expenditures.

MR. BLANDFORD: Item 8 is the grant to states. It is a different item.

Q There is no connection?

MR. BLANDFORD: No.

Q Then that $602,000,000. is really an expenditure, is it not? How should that be set down?

MR. BLANDFORD: There is a note at the bottom of the page.

Q That note confuses me.

UNDER SECRETARY BELL: I should say it is earmarked receipts. They are earmarked by the Act and therefore they are transferred out of the general fund into the trust fund.

Q In writing the story I was wondering whether that should be taken out and added to the general figure of expenditures.

THE PRESIDENT: No.

Q This was not done every year in the past?

UNDER SECRETARY BELL: It has been taken out of both sides.

Q Doesn't it mean about a billion dollars social security payments on it? It would be correct to add the $600,000,000. and the $436,000,000. as the total social security, and that is a draft against current receipts?

UNDER SECRETARY BELL: There is a peculiar wording in the Act. There is a plan to set this aside out of the Budget but a peculiar wording in the Act requires that it be put in the general fund. Then a part of the receipts are deducted to cover it into the general fund.

Q Is the deduction considered as an expenditure?

UNDER SECRETARY BELL: From the standpoint of social security, you are spending $400,000,000. for grants and $600,000,000. for investment.

Q The total expenditure would be in excess of $900,000,000.?

UNDER SECRETARY BELL: You can take in the unemployment trust fund too, then.

Q Would that be in a supplemental estimate?

THE PRESIDENT: I think they are all in.

Q What is the net receipt from all payroll taxes to the Treasury? What is the net receipt to trust funds of all social security taxes in the next year?

THE PRESIDENT: $602,000,000.

Q That is the net receipts?

UNDER SECRETARY BELL: That is the net receipts to the trust fund.

Q Do the pensions that start next year come out of that?

UNDER SECRETARY BELL: Yes, sir.

Q And this money comes in here (indicating)?

UNDER SECRETARY BELL: Yes.

Q This $602,000,000. is the net figure?

MR. LAUCHLIN CURRIE: The net taxes are more. The total tax is $670,000,000.

Q Isn't that annuity account entirely separate from the Budget?

MR. CURRIE: Yes.

Q That is, when the annuities are paid it has nothing to do with the Budget item?

MR. CURRIE: That is right.

Q It is paid out of an entirely different account?

MR. CURRIE: It comes out of a trust fund, not the general fund at all.

Q What is the estimated deficit this fiscal year? Is it $3,900,000,000. or $2,700,000,000.?

THE PRESIDENT: This fiscal year? Turn to Schedule No. 4. At the end of this fiscal year, the estimated debt, is that what you are talking about? The debt or the deficit? The estimated debt will be $43,222,000,000. That is at the end of this fiscal year.

Q That is considerably under the estimate of a year ago?

THE PRESIDENT: Yes, it was over $44,000,000,000. a year ago.

Q The estimated deficit is $2,700,000,000.?

THE PRESIDENT: The estimated deficit is $2,700,000,000.

Q Mr. President, there is an item in the Summary on page XIX -- $700,000,000. --

THE PRESIDENT: (interposing) What line?

Q Last line, under item 14. It is three lines down (below item 14, the item reading, "Less: Return of surplus funds from Government corporations, $700,000,000.)

THE PRESIDENT: Those are the surplus funds that came out of the Treasury and are now being restored.

Q That would represent the amount restored, $700,000,000.?

THE PRESIDENT: Yes.

Q That will not be in cash?

THE PRESIDENT: You can put it in either item you want.

MR. LAUCHLIN CURRIE: That will appear both sides, on the credits. It will go back to the revolving fund of the Treasury as miscellaneous receipts. It depends on the law.

Q Why isn't that $700,000,000. realization from the lending agencies shown under receipts too, in the Budget Summary?

THE PRESIDENT: Because, under the law, it is used as an offset on money going out in a great many cases.

Q Where do you put it then?

MR. CURRIE: It depends on what agencies are selected and what amounts. If they have a revolving fund, it goes in as a credit and, in other cases, it goes in miscellaneous receipts. I think you can work it on a 50-50 basis.

Q This Budget Summary figure, net receipts, $5,000,000,000., should be $5,000,000,000. plus $700,000,000.?

MR. CURRIE: Or perhaps plus $350,000,000. I think half would come in as miscellaneous receipts and the other half would come in as credits.

THE PRESIDENT: In other words, he means you can cut it in half and put half at the top of the table as receipts and the other half as (a setoff against) expenditures and it will work out exactly the same way in your total figures.

Q That is why God made accountants.

THE PRESIDENT: You are right.

Then going back to page XIII, we have the item "Financing the maintenance cost of certain services." This is something that is really important. I do not know whether we will get any action

out of it or not but this thing really came out over a study that we had made, a tentative study first and another one since, on this old rivers and harbors situation.

In England, where they have been at it a great deal longer than we have, back in the days of Queen Elizabeth they organized a Government corporation called Trinity House, which we would call an authority in these later days. Trinity House was a corporation that was given its capital by the British Treasury and it was run by shipmasters and shipping houses. It began a great system of lighthouses and buoys and dredging out of channels all around the British Islands. At the same time Trinity House was given authority to impose tonnage taxes and port dues and things of that kind to offset the expenses that they were under for annual maintenance of these channels that they had to keep on dredging out, like the channel going into Liverpool, which is a long muddy, sandy channel, requiring constant dredging. I am not dead sure, but I think the lifesaving stations in England were also run by Trinity House.

The net result is that that system has run over four hundred years and the maintenance of all navigational aids, including the dredging of channels, is covered almost one hundred per cent out of the receipts that Trinity House gets from ships which use these channels.

If you go yachting on the coast of England and drop anchor in some little two-by-four harbor on the coast of Devonshire, along comes a fellow in a boat, with a Navy cap on. He rows out and he says, "Good evening, gentlemen. What is your tonnage, please?"

And you tell him the tonnage of your schooner and he says, "One night?" You say, "Yes." He says, "It will be six pence, sir." For two nights you get a reduction; for two nights it will be ten pence, and if you spend a week there, you will get a further reduction. In that way the users of all the channels and harbors around the British Isles pay for these facilities which the Government provides for them.

Now, when it comes to digging a new channel or putting in a new set of buoys or building a new lighthouse, that is a capital expense. That comes out of the British Treasury.

These investigations of mine showed that we are spending $50,000,000. a year for the maintenance of our rivers and harbors and channels and buoys and lighthouses and lifesaving stations, et cetera, and we are getting practically nothing back from the users. I am asking the Congress to study the question as to whether we cannot have the users of all of our waterways and coast facilities pay a little bit more towards this annual maintenance. I do not know whether we can get it on a self-sustaining basis but perhaps we can pay part of this $50,000,000. a year by certain charges against the users of all these navigational aids.

Well, that is one thing I believe we ought to start to do.

Q Would that apply to inland waterways as well?

THE PRESIDENT: Oh, my, yes. Why not?

Q How about aviation, the fields and the services the Government supplies?

THE PRESIDENT: Well, we ought to study that. We have not studied that as yet. We ought to do it. I don't know what the present system

is.

Then you come to another question. We were pouring an awful lot of money into parks and these forests and historic monuments of various kinds, and the public does pay some small fees, I think in most of the National Parks, at the present time. There again there is a great deal more of revenue that could be got by extending the principle of very small fees, five cents or ten cents, to go into a National Forest. Up in the State of New York Governor Smith started, with Bob Moses, this wonderful system of State Parks and when I was Governor we completed a number of them and kept on extending the system. Except in the Adirondack Preserve, as it is called, or Reserve, where the situation does not warrant us charging anything, in all these other parks owned by the State we have just one place when you go into these parks where you can park your car but you cannot park your car without paying ten cents or twenty-five cents, whatever it may be. The receipts from the users of these State Parks have got to the point now where the parks are almost self-sustaining. And nobody kicks. There was a little kicking the first year we did it but it has died out entirely. At Jones Beach we have thousands and thousands of people all the time during the whole summer season.

Q Would you apply that to the Blue Ridge Parkway? (Laughter)

THE PRESIDENT: Yes, sure. It is the same thing. Any objection?

Q It has been proposed.

THE PRESIDENT: I would make it a small fee.

Q There has been quite a bit of comment about it.

THE PRESIDENT: Yes.

And so I hope that Congress will study methods of getting a little bit of money back for the maintenance, not the capital cost but the maintenance, of the things that the Government is doing for the population of this country.

Then you come down (referring to the Budget Report) to the Federal Administration thing which calls attention to the increases in the Bureau of Budget and Civil Service Commission. It is a very modest investment but it pays large dividends because we are putting in ordinary business methods. Furthermore, $11,000,000. of savings have already been impounded this year as a result of the Reorganization Plans I and II, and that amount -- I think a little more -- has been deducted from the 1941 estimates. (Reading)

> "With further readjustment in the machinery and business practices of the Government, additional savings will be realized. Reorganization has also brought the Bureau of the Budget into the Executive Office. With the additional appropriation for this Bureau, our budgetary procedure can be greatly strengthened. We are beginning to get more effective review of estimates. With the help of Congress we can make further progress in improving our accounting and appropriation procedures. This is a necessary prelude to better budgetary control. The Bureau of the Budget is preparing itself to be increasingly helpful in the supplying of information to the appropriation committees of the Congress."

Then we have a long philosophical discussion of the public debt. There is an awful crack on the top of page XV that says:

(Reading)

> "Those who state baldly that the Government's debt is 42 billion dollars--and stop there--are stating a deceptive half-truth calculated to make our people apprehensive."

In other words, they are plain ordinary liars. (Laughter) (Reading)

> "For one thing, it would clarify the public mind if it were pointed out that of the 42-billion-dollar figure the amount incurred between June 30, 1933, and December 31, 1939, is just over 19 billion dollars. For another thing, it would be more honest and more honorable for them to say that while one line in the national budget shows a national debt of 42 billion dollars, other lines indicate that the Government has 7 billion dollars of cash, gold available for debt redemption, and proprietary interest in Government corporations, which reduces the net debt to 35 billion dollars.
>
> "In addition, of course, there are the billions of dollars' worth of durable, tangible assets constructed or purchased by the Government that are a real offset to the debt, though never listed as such.
>
> "During the period between June 30, 1933, and June 30, 1940, nearly 14 billion dollars of Federal funds will have gone into recoverable loans and investments and durable improvements.
>
> "Furthermore, during the same period, the burden of the combined total of public and private debts has decreased."

In other words, the Nation as a whole owes less to its Government and to itself, privately. (Reading)

> "The interest on the public debt alone in the calendar year 1939 constituted only 1.45 percent of the national income as contrasted with a corresponding percentage of 1.62 percent for the year 1933. The increase in the national income over 1932 for the year 1939 alone is far in excess of the total increase in the debt for the whole period since 1933. The credit of the Federal Government has never been higher.
>
> "The debt accumulated since 1933 represents a far more prudent and productive use of our people's savings than much of the enormous private debts piled up in the twenties."

As some of us have reason to remember. (Reading)

"The billions that were borrowed for speculation, for foreign loans, for second and third mortgages on overproduced commercial construction, --"

Some of us got hooked on that too. (Reading)

"-- hardly represented the most prudent use of our people's savings."

That is perhaps a little -- what is the word? -- ironical.

Q You would not apply that to the $12,000,000,000. owing us in war debts, would you? (Laughter) (Reading)

"It is true that isolated debts can be defaulted without great harm to the general economy."

I saw a perfectly lovely piece in the financial page of a New York paper in which it said that private debt, an increase in the private debt, is much better for the country than an increase in the public debt because an increase in the private debt could be so easily defaulted in time of need -- now, that was a perfectly serious article on a financial page -- because you can get rid of it by defaulting when the time comes. I think it is perfectly marvelous, perfectly marvelous. (Laughter) (Reading)

"But this is not true when, as in 1933, a large part of our private debt was in danger of default, and the savings of the whole community, as well as the general credit of industry and agriculture, were imperiled.

"A part of the existing public debt and of agency loans is in fact accounted for by the necessary assumption by the Government--through the familiar 'bailing out' process--of private debts on the verge of default.

"In considering the growth of the Federal debt, it must finally be borne in mind that in recent years the Federal Government has had to take over some of the burdens which had theretofore fallen upon our States and municipalities. By 1933 the strain of the depression upon the finances of local governments had become unbearable. From

June 1929 to June 1933, States and municipalities had to increase their net debt by over 4 billion dollars and their credit in many cases had approached the breaking point. By 1933 there was an insistent demand that the National Government come to the financial aid of local governments.

"Consequently, between June 1933 and June 1940, the Federal Government will have made available for local relief, work relief, and local public works the sum of 17 billion dollars. In addition, during this same period, the Federal Government increased its grants for public roads by 1 billion dollars over the preceding seven years.

"By reason of these Federal expenditures it became possible for the States and municipalities during this period to rehabilitate their credit, and even to reduce slightly their aggregate indebtedness. If they had continued to discharge the responsibilities that were formerly theirs to a degree commensurate with the Federal Government's effort, the aggregate indebtedness of our States and municipalities would have been increased by not less than 18 billion dollars and their taxes would have been enormously increased.

"Debt, whether individual, corporate, or governmental, cannot be judged in a vacuum; it must be considered in light of earnings, assets, and credit standing. When the increase in the national debt is viewed against the background of what was accomplished by the growth of useful physical assets, and of effective national earning power, and by the strengthening of the Nation's credit and morale, there is no economic ground for anxiety, so far as the national debt is concerned, as to the Nation's future. And if our citizens understand the capacity of the Nation to produce increased national income and act thereon with all possible faith and practical energy, they will be in a position to anticipate balanced budgets without curtailing essential social programs."

Q Mr. President, in regard to this first paragraph on the top of page XV, where you say it would be more honest and more honorable to deduct the $7,000,000,000. of cash, gold and proprietary interest. Why isn't it more honest and honorable to add the $7,000,000,000. of contingent liabilities?

THE PRESIDENT: That is like trying to add apples and pears together.

Q I admit it is hypothetical but, if the H.O.L.C. should go broke, it would be up to the Federal Government to pay off the money.

THE PRESIDENT: Yes, but let me put it the other way: Boulder Dam is a good deal more than earning its interest and amortization. Suppose Los Angeles were to be destroyed tomorrow, suppose the Imperial Valley were flooded out, and the Gulf of Mexico came in and filled it full of salt? It is true, I suppose, that Boulder Dam could be considered a contingent liability but so can anything else.

Q Mr. President, how much of that $7,000,000,000. cash is in gold?

THE PRESIDENT: $7,878,000,000. in cash, interest in Government corporations, et cetera. The general fund balance is $2,000,000,000.; the general stabilization fund, $1,800,000,000.; the proprietary interest in Government corporations, $3,602,000,000.

Q With reference to Government reorganization, can you give us an idea as to when another reorganization Order will come?

THE PRESIDENT: We have been so darned busy here that we have not done anything in the last two months. That is the next business.

Q This saving was accomplished by Orders I and II?

THE PRESIDENT: Yes.

Q (Mr. Godwin) If you are not through with this Conference, Mr. President, I would like to be excused. I have a broadcasting appointment at six o'clock; I have to tell the people what you said today in your speech. I think this is the first time that anybody has ever had to excuse themselves from one of your conferences.

THE PRESIDENT: Go to it. I hope your contract is sufficiently large.

(Laughter)

Q Thank you very much, sir.

CONFIDENTIAL
Press Conference #613,
Executive Offices of the White House,
January 9, 1940, 4.10 P.M.

Q Good afternoon, Mr. President.

THE PRESIDENT: How is everybody?

Q Pretty good.

THE PRESIDENT: I was sorry I did not wake up in time to hear you this morning. Russ (Mr. Young) said it was grand.

Q (Mr. Godwin, referring to the Jackson Day Dinner) It must have been -- you must have had a nice evening. Those pictures look pretty good. Look like everybody is enjoying themselves.

THE PRESIDENT: Sure. Didn't you get to it?

Q (Mr. Godwin) No, sir; I did not have a hundred dollars.

THE PRESIDENT: I saw Ulric Bell up there in the front row of the gallery.

Q (Mr. Godwin) If I had gone there I would have been asleep (this morning) the same as you were. I have to get up pretty early to digest all that stuff (in order to care for his 8.30 broadcast).

THE PRESIDENT: Yes, sure.

Q A lot of fun, too.

THE PRESIDENT: Did they serve drinks in the gallery where you were?

Q Anything you wanted.

THE PRESIDENT: I always said the Democratic Party was the liberal party.

Q But we had to pay for that.

THE PRESIDENT: Did you have to pay for it? I thought you did not?

Q We did not have any.

MR. DONALDSON: All in.

THE PRESIDENT: This is off the record but, you know, I have always warned editors about being careful about their headlines. Here is a Minneapolis paper, on the same day two headlines which really ought to be read in conjunction with each other.

(The President exhibited the newspaper headlines which read:

"F.R., in Message, Pleads for National Unity,"
-Minneapolis Times-Tribune,
January 3, 1940, page 10 -- and

"Unity, on Stretcher, Nearing Her Home,"
-Minneapolis Times-Tribune,
January 3, 1940, page 11 (Laughter))

Isn't that a joy?

Q That is a hot one. (Continued laughter)

Q Mr. President, I cannot be heard here --

THE PRESIDENT: (interposing) The front row says, "Order, please."

(The sound of laughter subsided.)

Q Has Senator Taft qualified as yet for that very handsome prize you offered?

THE PRESIDENT: I have not had a chance to read all the details but they brought in a little breakdown.

MR. EARLY: A complete breakdown.

THE PRESIDENT: In case there were some others too. This would save $8,000,000., as compared with the saving of over a billion, by abolishing certain things like the Central Statistical Board; the National Resources Planning Board which, of course, in the long run saves the Government a lot of money; the Maritime Labor Board which, I think, has settled I have forgotten how many disputes this past year; the National Advisory Committee for Aeronautics

the large sum of $2,800,000., on which the safety of the public has depended very largely since it has been going, and it has been going for a good many years -- I think I inherited it, did I not? -- the Bituminous Coal Division, which certainly is functioning better now than it did the first year and is accomplishing a certain stability in the coal industry; the International Boundary Commission, which I cannot abolish becausw it is under a treaty with Canada, and the Division of Cultural Relations in the State Department, $69,000., a large amount which we hope will come back many, many times in increased trade with Central and South America. Then there are other little items, like the Electric Home and Farm Authority, which has been operating at a profit since its organization -- and that was not known. Then there is the U.S. Unemployment Compensation Commission; they would save $5,000,000. by abolishing that Commission, which is the workmen's compensation agency of the Federsl Government and $4,700,000. goes to the employees' compensation as compensation of injured Federal employees. I think it would be a pity to take that away from them. Then there is the Puerto Rico Reconstruction Administration which is, of course, merely a relief project and comes out of the relief money. Then there is the Disaster Loan Corporation, which spent most of its money in taking care of the Ohio River floods.

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Outside of that I do not think further comment is necessary.

Q The abolishing of the Railroad Mediation Board too.

THE PRESIDENT: Yes, the Railroad Mediation Board.

Q Speaking of unity, Mr. President, have you any comment to make on the speech of Secretary Louis Johnson defending --

THE PRESIDENT: (interposing) I have not read any speech except my own last night.

Q I asked because of the rebuke to Secretary Wallace last year.

THE PRESIDENT: Oh.

Q Mrs. Roosevelt said recently that in regard to that barn -- you remember the barn you did not think would cost as much as the architect thought it would cost? She didn't see any reason why people thought it was funny when she put it in her column and she explained that the barn really did not cost as much to remodel as the architect said it would.

THE PRESIDENT: What about it?

Q Did it?

THE PRESIDENT: No, because we did not remodel the entire barn. We only did the two ends.

Q So you don't know?

THE PRESIDENT: We do not know yet but we think we are going to be inside the limit.

Q Have you made any computation of the savings you had made in administrative expenses by reason of the consolidations you put through so far?

THE PRESIDENT: I think the Budget Message said $11,000,000. so far and more coming since last -- whenever it was -- last summer, when the second one went through. We have actually made $11,000,000. savings.

Q As I remember it, at the time the consolidations were proposed you did not predict that there would be any very material savings in the cost of operation, that that was not your main objective.

THE PRESIDENT: Yes, it was the main objective but, as I explained, the

total amount in dollars must necessarily be a comparatively small percentage of the total, unless the Congress abolishes functions.

Q Have you projected this so you can tell what you will be able to save when your program is completely --

THE PRESIDENT: (interposing) Oh, this goes way back, about a year ago. When we get through with the interdepartmental and the intra-departmental changes - there will be some more of them coming along in the course of this year, as you know, more reorganization plans -- we think, as a result of reorganization of the mechanics, purely the mechanics of the regular agencies of the Government, that we ought to be able to save about $25,000,000. a year. Our estimate still stands.

Q Where does the eleven million dollar figure come from?

THE PRESIDENT: Those were on the changes of last year.

Q Does the $25,000,000. include the $11,000,000. or is it in addition to the $11,000,000.?

THE PRESIDENT: It includes the $11,000,000.

Q Speaking about the $11,000,000., is that a net saving? Does that take into consideration the increases in expenditures that have resulted from the reorganization program?

THE PRESIDENT: Yes, that is net because, you see, the total increases have been comparatively small -- three, four or five hundred thousand dollars all told. We have the Bureau of the Budget, the National Resources [Planning Board] Committee, and then there have been one or two additional expenses. It is very difficult to tell how you can figure them out in dollars and cents. For instance, this committee that Fred Davenport was the head of, on civil service: There is

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going to be a very definite increase in the efficiency of the civil service because that Council has on it a personnel officer from each of the departments and they will, -- well, just to take an example, they will prevent one department robbing another department of a very good civil servant and upsetting the regular work of the department that has been robbed. It is awfully difficult, on a case like that, to put down the savings in terms of dollars but it is obvious that this new board of Fred Davenport's which will cost, I have forgotten what, fifty or sixty thousand dollars a year to run, and yet we know it will save in efficiency a good many of hundreds of thousands of dollars a year, but you cannot point out the individual savings.

Q Have you figured out all the savings that will be manifest in your present term of office?

THE PRESIDENT: I think so, yes.

Q Getting back to the Budget, will you comment on Mr. Harrison's proposal for a joint legislative study?

THE PRESIDENT: Oh, I think it is entirely up to the Congress. That is their own mechanics.

Q Mr. President, I understand -- it may not be true, however -- that the Budget Bureau has sent you the District of Columbia reorganization plan in order that you may look at it. Have you seen it?

THE PRESIDENT: I have not.

Q Would it come to you in the course -- I mean, do you expect to see it?

THE PRESIDENT: I understood the Bureau of the Budget at the present time is sending it around to departments that are concerned with

it. I suppose it will come to me eventually.

Q There are several proposals before Congress for various forms of assistance to Finland. One proposes a loan of some $60,000,000. Others would loan the new Garand rifle or make it available on an experimental basis. Is there anything you can tell us on such a proposal?

THE PRESIDENT: I cannot, yet. I will probably have something by next week. I am talking it over with the State, War and Treasury Departments and so on.

Q The spokesman for the church people who called on you today linked your appointment of Taylor to the Vatican, or, rather, the letter, with an assertion on your part that you hoped for peace this spring. Will you amplify on that idea?

THE PRESIDENT: I don't think I put it that way. You see, I had in certain denominations this morning: the United Lutheran Church of America and the secretary of the Lutheran World Convention; the president and secretary of the General Conference of Seventh Day Adventists; the chairman of the Committee on Public Relations of the Southern Baptists, and Dr. Abernethy, representing the Northern Baptists.

This conference was merely to explain to them that we are honestly trying to mobilize all the churches of all the world, the Christian churches and the Jewish churches -- we have not got as far as the Mohammedans and the Buddhists and Confucianists, et cetera -- but all the nearby churches in, not a formal conference but an informal association with the hope that when and if the time comes for discussions of peace, that the religious and the

moral influences of churches can be brought to bear in an effective and useful way in the making of that peace.

I had them in here today to do with them exactly what I did in sending Mr. Taylor over to Florence, so that I will know them and have a method of approach if and when the time comes. Their visit to me is just exactly the same, no more and no less than Myron Taylor going over to Florence. I expect and hope to keep in touch with these very large protestant churches over here just the same way I am doing with the Jewish Church through Dr. Adler and Dr. Buttrick of the Presbyterian and with the Catholic Church through Myron Taylor.

That is all there was to it. I did outline to them -- and told them not to say anything about it to anybody, including you -- certain objectives with respect to peace, and the reason for that was that I did not want those objectives, in general terms, to be regarded by the Press or anybody else as fourteen points or any other number of points. They are merely certain ideals which, at the present time, should not be reduced to factual language. I think that covers it.

Q Does the description of Mr. Taylor's station as Florence --

THE PRESIDENT: (interposing) He is going to live in Florence and then, if anything turns up where there should be some communication with the Pope, he will go down to Rome and convey the message.

Q Have you discovered, sir, whether the churchmen had any misapprehensions as to the purpose of this mission?

THE PRESIDENT: I do not think they did. I think some of their constituents did.

Q Did they have any idea as to how frequently Mr. Taylor might find it necessary to go to Rome?

THE PRESIDENT: I have not the faintest idea. How can anybody?

Q Has he gone yet?

THE PRESIDENT: No. He is coming down, I think the end of this week, on his way to Florida. He has just had an operation and I think, in Florida, he will lie in the sun for a week or two before going abroad.

Q Will his appointment, sir, entail a nomination?

THE PRESIDENT: No, I do not think so.

Q Did you discuss the Dies Committee situation with Mr. Sabath (Representative Sabath of Illinois) today?

THE PRESIDENT: Only in this way: I took no part in any action by any committee of the House -- obviously. I expressed the hope that the Rules Committee would be in a position to give immediate clearance to the trade agreement bill the minute it comes out of the Ways and Means Committee so that there would not be any delay on it, and that is all.

Q What is your personal view on whether the Dies Committee should be --

THE PRESIDENT: (interposing) I have not got any.

Q To what extent did you discuss Pennsylvania politics with John Kelly (Mayor of Philadelphia) today?

THE PRESIDENT: From A to Z.

Q Did you reach any conclusions, sir?

THE PRESIDENT: No. (Laughter)

Q Did you endorse Senator Guffey for renomination?

THE PRESIDENT: The last question answered it.

Q Did the churchmen make any protest or did they discuss any protest to you about the sending of Mr. Taylor?

THE PRESIDENT: About what?

Q Protest?

THE PRESIDENT: They said there had been some protest come to them which had been, obviously, based on a misunderstanding. I think they understand the situation perfectly and I think everybody else does.

Q Reports from Ottawa today say that preliminary negotiations on the Great Lakes-St. Lawrence situation have now been completed and the American delegation is about to come back and there will be new conferences here late this month, around the twenty-second. Have you any report from the delegation up there?

THE PRESIDENT: No, not yet.

Q Do you know of any Federal Judgeships which are about ready?

THE PRESIDENT: I know several that are very nearly ready -- not the District of Columbia.

Q That is the one I am after.

Q How about the First Circuit? Is that nearly ready?

THE PRESIDENT: Well, that, I would say, is coming along very nicely.

Q Anything for the Third Circuit?

THE PRESIDENT: That is coming along very nicely too.

Q Could you tell us whether or not J. Warren Madden is being considered for the vacancy on the Third Circuit?

THE PRESIDENT: I cannot talk about any individual names.

Q (Mr. Godwin) You know, Mr. President, we have to follow that very closely because Mr. Young (Mr. Russell Young) and I have to go to Casey's (a restaurant on Seventeenth Street) quite frequently and

when you have a judgeship in the air we don't go.

THE PRESIDENT: Maybe I will give you and Russell a little tip-off so that you can congratulate the fellow first.

Q (Mr. Godwin) Yes, sir; we will take him over with us.

Q Are you going to enact an increased sugar quota for Puerto Rico?

THE PRESIDENT: I haven't the faintest idea.

MR. GODWIN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #614,
Executive Offices of the White House,
January 12, 1940, 10.50 A.M.

Q (Mr. Godwin, indicating newspaper clipping) That is something you will never learn from anybody but the United Press.

(The clipping referred to was from the United Press ticker, emanating from a mid-West town, to the effect that an individual who termed himself the "President of the Hoboes Union" had stated that the President would be nominated for a third term and reelected. He had also stated that this was "back door information," meaning thereby that he had received at the back doors of many homes in America.)

THE PRESIDENT: I love it.

Q (Mr. Godwin) Isn't it wonderful -- "back door"?

THE PRESIDENT: Well, that sounds like the United Press.

Q (Mr. Godwin) Yes, give it to Steve. (Laughter)

THE PRESIDENT: The A. P. is much too respectable to write news about hoboes. (Laughter) Isn't that right, Russ (Mr. Young)?

Q (Mr. Young) Yes, sir.

THE PRESIDENT: Some day I will have to tell you a story about a tramp, an old-fashioned tramp up at Hyde Park, who claimed to be a nephew of James Madison. He had one of the most fascinating stories you ever heard. It was when I was a boy. Madison's nephew, and probably he was.

Q At Hyde Park?

THE PRESIDENT: Yes. He was a great friend of Chauncey Depew. He had free railroad passage, et cetera. He went to Florida every winter.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think I have got anything. You might as well put the lid on this afternoon over the week end.

Q Going to stay here?

THE PRESIDENT: Yes.

Q When are you going to Hyde Park, sir?

THE PRESIDENT: Around the end of the month, either the last week end in January or the first week in February because the roof of the Library is on and the floor is sufficiently finished for me to roll over it.

Q Spend your birthday up there, sir?

THE PRESIDENT: No; I will be here.

Q Did Mr. O'Neal (Mr. Edward A. O'Neal of the Farm Bureau Federation) convince you yesterday that farm parity payments were needed?

THE PRESIDENT: Oh, he gave me a copy of the various resolutions passed. That is all that happened. It was one of many resolutions.

Q Have you any comment on the breakdown of the Argentinian-Uruguayan negotiations?

THE PRESIDENT: I do not think there is anything except what has been given out by the State Department.

Q Has any decision been reached on material aid to Finland?

THE PRESIDENT: Not yet. I think I can give you a background story on it:

The general thought in my mind is that this is a thing that ought not to become a question of partisan politics -- party politics. In other words, the attack on Finland and the desti-

tution of a large number of the people and their needs for maintaining their independence, it hardly should be a partisan matter over here. What I understand is being done on the Hill is that they are trying to get the leaders of both parties together and agree on what we should do. I have not heard any results -- I do not know.

Q Any figure in mind, like fifty or sixty million?

THE PRESIDENT: I do not know. I have not the faintest idea. I do not know the details of their discussions.

Q What about these suspended payments?

THE PRESIDENT: That comes into the same subject.

Q You introduced that by saying you would give that as a background story?

THE PRESIDENT: That is merely to explain to you what I think is going on and what I hope is going on on the Hill.

Q As to the use of your narrative?

THE PRESIDENT: Yes. You can say that is the suggestion I made to them.

Q You do not know in what form it would be handled, whether by loan?

THE PRESIDENT: I have not the faintest idea.

Q Included in this proposal is a suggestion to sell 60,000 Garand rifles at $1. apiece for experimental purposes. Anything from the War Department on that?

THE PRESIDENT: I have not heard a word on it.

Q The Interstate Commerce Commission made its report to you on the waterways and the lake hearings. Will you make that public?

THE PRESIDENT: I do not know. I would have to check it and see what

the status is. I have not seen anything on it for a couple of months.

Q Have you received any reply from the Pope to your letter of December twenty-third?

THE PRESIDENT: No.

Q Do you contemplate giving any specific instructions to Mr. Taylor (Mr. Myron Taylor) in the conference which you said would be the last conference held before he goes to Florida?

THE PRESIDENT: He is coming in to lunch. When it comes down to specific instructions, the answer is "No."

Q Have you anything to say on your conference with Admiral Leahy yesterday?

THE PRESIDENT: Oh, we talked about the continuing problem of Puerto Rico, that is all.

Q Did you give him any suggestions? to Taylor, I mean? You said no specific instructions.

THE PRESIDENT: No. We will talk over the whole situation.

Q Is he acquainted with the objectives of your peace proposals that you talked of here the other day?

THE PRESIDENT: Those were not objectives. I warned you against being too objective. After all, if, for example, I talked with any one of you about some of the ideals of peace, that is not a very out of the way thing to do. I have talked with a number of you as to the ideals of peace. That is all there is to it. I have been talking to people all the time about that. I do not think there is much of a story on that and you cannot put it down, point by point, and mention any specific ideals. It is too didactic and

I know that the newspaper stories have to be specific and objective. That is why I do not see what you have to write about. Don't be specific and objective because I am being didactic in my own mind. It spoils the story.

Q Since the return of the American delegates on the St. Lawrence Treaty from Canada, is there anything you can tell us?

THE PRESIDENT: No. I am talking to them on Monday or Tuesday. They wanted to come in this week end but I haven't the time.

Q Will you appoint a Minister to Ireland in the near future, now that there is a vacancy?

THE PRESIDENT: Yes, but I do not know when or who.

Q Will your talk with the St. Lawrence people include the Canadians, who are coming down here on the twenty-sixth?

THE PRESIDENT: I did not even know that they were coming down. Next Monday or Tuesday I will talk to the Americans and I do not know whether I will see the Canadians. I did not know they were coming.

Q Will you talk to Schlacht (Editor of the East Side News in New York City) about that (Congressional) vacancy up there? (The reporter was referring to the Congressional vacancy by reason of the death of Representative Sirovich.)

THE PRESIDENT: I was not thinking about it.

Q Have you written him at all, sir?

THE PRESIDENT: I have not written him any letter except a personal and confidential letter, which is nobody's business. (Laughter)

Q Mr. President, did you give former Assistant Secretary Charles West some information as to not being made a candidate in the Ohio Primary?

THE PRESIDENT: No.

Q Have you done anything?

THE PRESIDENT: I have not done a thing, one way or the other.

Q Some time ago I think you spoke about a trip to the Pacific Coast in April. Do you still have that in mind?

THE PRESIDENT: I do not believe it is possible. I doubt it very much. That was a long while ago and the nearer it gets, the more difficult it is.

Q Since last Tuesday when you looked into the Pennsylvania political situation from A to Z, as you said, when Mr. Kelly was here, have you looked further into it?

THE PRESIDENT: Oh, yes.

Q Who did you talk to? (Laughter) Who did you talk with since Tuesday?

THE PRESIDENT: Oh, I have had a lot of spiritual communings.

Q Has Mr. David L. Lawrence been here since Tuesday?

THE PRESIDENT: I believe he was here the other day. (Laughter)

Q When and how? Did you talk to him?

THE PRESIDENT: No. I will tell you what -- that may have been one of the spiritual communings. (Laughter)

Q If he was here, he came in the back door. (Laughter)

MR. GODWIN: Thank you, Mr. President.

CONFIDENTIAL
Conference with Members of the National
Conference of Business Paper Editors, #614-A,
Executive Offices of the White House,
January 12, 1940, 11.05 A.M.

THE PRESIDENT: Well, this is grand, our annual meeting.

Q The annual meeting. Steve (Mr. Early) lets me have two, annually.

THE PRESIDENT: I haven't prepared anything to say to you. What have you prepared for me?

Q As you know, we represent the business and industrial press. We are not here as reporters, we do not quote you and we are not columnists. (Laughter)

THE PRESIDENT: You know, I have talked with you frankly in the past and there has never been a leak, which is going some.

Q You certainly have. We are here to get editorial background in order that we may wisely comment on things that have happened down here. We cannot ask questions and we wondered whether there was something on the top of your mind that you might discuss with us.

THE PRESIDENT: The only thing that occurs to me is the economic situation at the present time. I think the most significant thing that has happened since the middle of October has been the complete divergence of opinion on the part of the experts. It is a very interesting thing. As you know, we have a good many different groups in the Government that are in the prognosticating business as to what this particular thing is going to do -- is it going to rise or stay steady or go down? They study different forms of business. These different agencies, of course, are in touch with all of the industries all the time and they

get a lot of their information from the industries themselves -- the Department of Commerce, the Federal Reserve Board, even the S. E. C., they have their economists and then Dr. Lubin's outfit and, well, even agencies like the F. D. I. C. which gets its slant from the banks.

Beginning about the fifteenth of October, you could get any opinion you wanted, depending on whom you asked, as to what is going to happen. It makes it terribly difficult in this particular job, just the way it would for you who edit trade papers or anything else to do any forecasting.

Well, this being just a family party, we discussed the thing at one of the Cabinet meetings and I pointed out that, on the whole, the expert economists were a good deal worried -- this was about the tenth of November, along there -- because they said most lines were getting overstocked and they looked for a pretty serious setback in January. We talked about it for half an hour and the general conclusion of the Cabinet was the exact opposite of what the economists and the experts said. For instance, Ed Noble of Commerce and Morgenthau of the Treasury Department and I did not feel at that time that there was going to be a serious setback in January. And it so happens that we three laymen, who are moving largely by hunches instead of figures, we were right and the other fellows were wrong. Now, that shows some of the difficulties of forecasting.

Of course, as you know, when it came to Budget matters and things like that we took a pretty hopeful view of the situation during this year 1940. All of our figures were based on the

guess that it is going to be a darned good year and, of course, if it is not a good year, it presents a good many problems. You take the problem of unemployment: We can cut down an average of about 400,000 people on the relief rolls with the year beginning the first of July. Well, heavens, we hope that there will be 400,000 of them employed in industry. If we are wrong on the guess, on the hope, we will have to ask for more money to take care of that because, obviously, we cannot let them starve.

The same thing on the agricultural end of the thing: We did not put in for the parity payment amount, the three-quarters of 75 per cent of parity -- we practically guarantee that on the major crops -- in the hope that the farm prices will be up, during that year, to three-quarters of parity. Cattle is well above it already, wheat is almost there, cotton is almost there, and of course there is no question that Congress will pass an appropriation to make up the difference.

On the whole, personally I am still hopeful, very hopeful.

Q Mr. President, would you care to say anything about the likelihood of a tax bill this year?

THE PRESIDENT: Well, you know the way I put it up to them. Every major estimate is down, very distinctly down, from last year except national defense, the extra cost of which will be between four and five hundred million dollars. And the question, I should say, from the point of view of businessmen is, Should we run into debt for that particular item or raise the taxes? If we raise the taxes, we would have every department of the Government on a lower scale of deficit than ever before. That is what we are working for.

Of course, when it comes down to the individual tax, that has always been entirely up to the Congress to say what it shall be. The only thing -- as an old businessman myself I have adopted and accepted for a great many years the general theory of taxes in accordance with the ability to pay and if you put the consumer tax up too high as a general proposition you are going to cut down the sales to the consuming public. That is perfectly obvious.

Q Of course business is seriously disturbed about that. If we have to take on a heavy tax, particularly if it is concentrated on business, it means raising prices.

THE PRESIDENT: Well, yes and no.

Q They say it may.

THE PRESIDENT: That question of raising prices, I was connected with a business once and our principle was, in our pricing, to price it on a basis of what the traffic will bear, and it was all wrong. We got away from that idea because we, on several occasions, pushed our prices too high and people quit buying. When we put up the prices to what the traffic would bear, very, very soon our sales would slide down. That is why, except in certain lines, we have had a perfectly grand response from business in keeping prices down.

Q You are always very much interested in this problem of home building. Have you had any recent studies on that or any thoughts about the possibilities this year?

THE PRESIDENT: Some building materials are awfully high.

Q Very high, yes.

THE PRESIDENT: If we could keep them at the present level or possibly

advance them a bit, I think we would have more building. Just speaking from my own personal experience at home and in Georgia, people come to me and say, "I was all set to build a house and I got some estimates and now I have to put it off." It is just the human thing. I think we are making progress in types of houses.

Q The last time we were here, Mr. President, you talked to us about the foreign developments.

THE PRESIDENT: Foreign? Yes?

Q Would you care to say anything today?

THE PRESIDENT: Well, nothing except that --

Q (interposing) Your prognostications were very good, however.

THE PRESIDENT: Yes, I was quite serious.

Q Any background material you could give us?

THE PRESIDENT: A lot of people thought I was too serious last year.

Q You gave us a good steer and that was in the spring.

THE PRESIDENT: This war involves almost every line of industry, one way or the other. There is no question about that. We are picking up in a good many places in our foreign trade where, a year ago, we had no expectations of doing it and, in other places and other lines of material, we lost more than we expected to lose. I do not think that is a thing, when it comes down to the practical question of foreign trade, on which you can make any guess. It is a difficult question. South America is coming along in good shape.

We Americans, in time we are going to learn more about South America. We have altogether too much of the attitude that,

"Oh, well, they are spigotees." We are frightfully dumb. Well, I will tell you a story that illustrates why we have got to remember that they are human beings and consider themselves just as good as we are. I told this story to a certain very large power executive who was talking of having his company -- he already has quite a lot of South American electrical utilities -- he was going down and he asked me if it would be a good idea to expand their electric properties in South America. I said, "Perfectly grand but I want to tell you a story. When I was driving through the streets of Rio de Janeiro in 1936, at the end of November, with President Vargas, with this great parade of troops, et cetera and so on, and they had cleared off the streets, over in the corner were a whole lot of very fine new busses, in this little park that had been shunted off the main street. They were fine looking transportation busses. I said to Vargas, 'Those are very good-looking busses.' He said, 'Oh, yes; we have a very excellent traction company here, as far as the service goes.' I said, 'Why do you say, as far as the service goes?' 'Well,' he said, 'there is a great deal of feeling in Rio and the whole of Brazil that we would like to own our own traction company.' I said, 'Who owns this?' He said, 'This is owned in Toronto and Montreal.' I said, 'In other words, you do not like foreign ownership of your main utilities?'

"He looked at me and said, 'What would the people of New York City do if the subways were all owned in Canada?' 'Oh,' I said, 'why, there would be a revolution.' He said, 'Well, perhaps you can understand our feelings a little bit.' Then

he pointed out to one of the big, high mountains and said, 'Do you see that electric light line, that big transmission line?' I said, 'Yes.' He said, 'Well, we have excellent electrical service. It comes from some waterfalls about forty miles back in the country. We have no complaint at all. But,' he said, 'we don't like it because that is owned in London. How would you like it if the Consolidated Gas Company of New York and the New York Edison Company were owned in London?' I said, 'There would be a revolution.'"

Well, this particular power man said, "Well, that is the first time I have ever thought of that fact. Let me think. That means that when we go down, my company, to extend our services into other cities of South America and make extensions of transmission lines, or something like that, what Vargas means is this -- now those Brazilians cannot furnish the secured money because they have not got enough -- what your idea is, what Vargas' idea is, is this: that New York will finance the secured money. New York will finance, perhaps, the preferred stock and on the equity, the Brazilians will have enough money to buy what might be called an option on the equity." That is a pretty fair proposition. It means the original equity, which is practically always water, as you know -- we do not say so out loud, it is not considered polite, and when I speak of it some of your trade journals say that I am attacking business, but we all know that equity, in nine cases out of ten, in a new concern is water. Why not say so? It is perfectly true. What this plan means is that that water should be shared over a period of time and, after the

bonds have been amortized and paid off, that the Brazilians themselves should get ultimate control of that company. It is a perfectly fair proposition and if we were the power people and they had the money and we could not put up the secured money and asked them to and they came in here, we, as Americans, would demand, eventually, after twenty-five or thirty years, that the ownership should be in this country and not somewhere else.

That is a new approach that I am talking about to these South American things. Give them a share. They think they are just as good as we are and many of them are.

I think it is rather an interesting thought on our foreign trade. Just to illustrate, here is another case in point. As you know, the British need money in this war. They own lots of things all over the world of that kind, such as tramways and electric light companies. Well, in carrying on this war, the British may have to part with that control and we, perhaps, can step in or arrange -- make the financial arrangements for eventual local ownership. It is a terribly interesting thing and one of the most important things for our future trade is to study it in that light.

Q I think that is an excellent suggestion.

Q We appreciate very greatly your graciousness, Mr. President.

CONFIDENTIAL
Press Conference #615,
Executive Offices of the White House,
January 16, 1940, 4.05 P. M.

THE PRESIDENT: How is everybody?

Q (Miss Fleeson) They are trying to razz me.

THE PRESIDENT: Another Red? (Referring to bright red ribbon on the hat worn by Miss Fleeson)

Q (Mr. Young) Cutting down on Uncle Fred's department?

THE PRESIDENT: That was on account of the point of order on this bill.

Q (Mr. Young) Going to take it away?

THE PRESIDENT: It is a parliamentary situation. Anybody could raise the point of order and the Republicans announced that they would raise a point of order.

MR. DONALDSON: All in.

THE PRESIDENT: Well, let us see. Let's get the District of Columbia out of the way first. You look awfully receptive.

Q Mr. President, you read my mind. You have shown a great interest in the reorganization of the District of Columbia and we would like to know, sir, what your opinion is on this proposed doing away with the Health Officer and picking a man from the Public Health Service?

THE PRESIDENT: I do not know anything about it because I have not read the report. My opinion was asked several months ago and I cited a very simple example in order to explain my feeling that the District of Columbia should be able to pick a Health Officer from any place they wanted to and should not be limited. When I was Governor of the State of New York and wanted a Health Officer for the State, I looked around the whole of the country and I felt that the Public Health Service had the best man avail-

able at that time, so I borrowed Dr. Parran from Oggie Mills (Ogden Mills, then Secretary of the Treasury). I think the District Commissioners should be able to go anywhere they want, to private practice, to any city Health Officer, to any state Health Officer, to any of the Federal Health Services. At no time have I recommended that the Health Officer of the District of Columbia should come from the Public Health Service.

Q You say you did not?

THE PRESIDENT: No, of course not.

Q But, from what you say, you sound like you approved --

THE PRESIDENT (interposing): No, certainly not. The place should be open to anybody, the best man they can get anywhere, the United States Government Public Health Officer, the Health Officers of states or cities, private physicians, just like the Governor of New York could go anywhere. It is a very different thing.

Q If it does not sound impertinent, I should like to say that it has been intimated that you suggested that --

THE PRESIDENT (interposing): I did not. If this bill limits it to the Public Health Service, certainly not.

Q It limits it to the Public Health Officer or the Army or the Navy.

THE PRESIDENT: I never made such a suggestion and never had it in my mind.

Q And, again, if it is not impertinent, the District Building is blaming it on the White House.

THE PRESIDENT: They cannot do that. I said the law should be so that it would make it possible for them to get any Health Officer in the United States.

Q It looks like they are easing him (Dr. Ruhland) out.

THE PRESIDENT: You had better check on it because what was said here was perfectly clear and definite.

Q So, you see, you read my mind. (Laughter)

Q Will you tell us about your talk today with Mr. William Green?

THE PRESIDENT: Who? Oh, we talked about the meeting they are going to have down in Miami and we talked on the Birthday Balls. That was what he told you, wasn't it? (Laughter)

That is what we agreed on, that he would tell you, and I am telling you the same thing. (Laughter)

Q Did you talk about the building trades' inquiry by the Department of Justice?

THE PRESIDENT: No, that did not come up at all.

Q It did not?

THE PRESIDENT: No.

Q Mr. President, it has been printed that, in connection with the appointing of a successor to Mr. Fechner, the question of the militarization of the CCC is to come up?

THE PRESIDENT: My God, who printed that?

Q The News, of Washington.

THE PRESIDENT: Oh, I never heard of that paper. (Laughter) Oh, the Capital thing. Oh, that is it. Well, I guess they made a mistake.

Q (Miss Fleeson) Well, the News of New York will be sorry to hear that. (Laughter)

Q Dave Lawrence's paper has said -- he has gone right out on the end of the limb and said that on January twentieth or March fourth you would make your announcement as to running again or not. (Laughter)

THE PRESIDENT: That is a very interesting thing. Was that a copyrighted article by Dave? Did the other papers that printed it pay him for reprinting it?

Q You are asking me? I am not --

THE PRESIDENT (interposing) It is a very nice technique. I would like to know.

Q What do you think of it?

THE PRESIDENT: I think it is slick technique on Dave Lawrence's part. It is a new way of making money. (Laughter)

Q Well, that is what I think. (Laughter)

Q Mr. President, would you care to say anything about why the Neutrality Act should not be invoked in the case of Russian-Finnish hostilities?

THE PRESIDENT: Well, it is an undeclared war at the present time. That is about the easiest answer.

Q Mr. President, do you feel that the question of credits to Finland is a matter purely of credits or of foreign policy?

THE PRESIDENT: Read my letter. There is a copy. There is your answer.

Q Mr. President, do you still think you will be able to go to Hyde Park on the twenty-fourth?

THE PRESIDENT: Well, I do not know. It will be around the first of February, either the Sunday before or the Sunday after.

Q Will you spend your birthday up there?

THE PRESIDENT: Down here.

Q Have you any comments to make on the action of the House Appropriations Committee in not appropriating money for the National Resources Board and Government Reports?

THE PRESIDENT: I was told by them that the reason it was left out was because it was subject to a point of order and the Republican leadership had already served notice that any appropriation that was in an appropriation that was subject to a point of order, that the point of order would be made and therefore they left it out because it would have been knocked out on a point of order. It will come in some other authorization, followed by an appropriation.

Q Mr. Woodrum (Representative Woodrum) raised the question that these agencies were not legally set up.

THE PRESIDENT: It means they have not been authorized by Act of Congress, although we have been paying money to them year after year.

Q You did that inadvertently yourself instead of putting them in the Executive establishment under the reorganization plan?

THE PRESIDENT: They came here originally, as you will remember, as a part of all the general relief projects.

Q That is right.

THE PRESIDENT: As a part of the planning of expenditure of relief money.

Q The next move would be to get legislation?

THE PRESIDENT: Yes.

Q Does that explanation include Lowell Mellett's office?

THE PRESIDENT: Yes.

Q Three years ago you wrote a letter to Mr. Doughton of North Carolina, asking him to continue his services in Congress. This afternoon he announced his intention to retire at the end of the year. Have you any statement?

THE PRESIDENT: Only that I would be awfully sorry if he goes through with it because I do hate to lose him out of the House. He is of great value to the Congress.

4-2-56 7:13

Q What about this visit of Averill Harriman's yesterday?

THE PRESIDENT: That was to bring me an interesting document that was passed by the Business Advisory [Council] Committee. I do not know whether the whole report has been released or not. It was a report by the Business Advisory Council on the recip~~t~~rocal trade agreements program. The Council (reading from document) reaffirms the support it gave me in 1938 in the efforts of the Government to promote trade through the instrumentality of the trade agreements program. It favors the scientific methods of tariff making as indispensable to safeguarding national welfare and American standards of living. It gives a page on what it calls "alternatives" and

points out how horrible the alternatives are.

For instance, in respect to procedure, it says, "No one, we believe, would wish to return tariff making to a system unduly influenced by sectionalism, group and class influences."

There is no reason you should not have this report. It is not very long. There are only seven pages to it.

Q Is that the report that Noble (Under Secretary of Commerce Edward J. Noble) presented yesterday?

THE PRESIDENT: I do not know whether it was given in detail.

Q Yes, sir.

THE PRESIDENT: It is worth looking over and giving a little space to.

Q Is there a basis for the report that you have finally found a West Coast man for the Maritime Commission to succeed Woodward?

THE PRESIDENT: I have not taken it up.

Q You have not decided?

(The President shook his head to indicate a negative answer.)

Q Anything you can tell us about the action of the Committee in cutting $75,000,000 from the appropriation of the Maritime Commission?

THE PRESIDENT: I do not know -- I know nothing about it except what I read in the afternoon paper.

Q Are you anywhere nearer the appointment of a District Court judge?

THE PRESIDENT: No.

Q There have been reports that Secretary Edison has been mentioned for Governor of New Jersey. Have you any comment on that?

THE PRESIDENT: I know nothing about it whatsoever.

MR. GODWIN: Thank you, Mr. President.

Q Now that you have seen Mr. Berle (Assistant Secretary of State A. A. Berle) can you tell us whether you expect the St. Lawrence Treaty to be signed

in a month?

THE PRESIDENT: What will happen in a month?

Q Signing the St. Lawrence Treaty?

THE PRESIDENT: We have had very little chance to talk it over, only about five minutes yesterday, and he is coming in again before the Canadians come down. I cannot tell you anything more than that.

Q Has the British commentary on the Pan American safety zone been brought to your attention, or do you wish to comment on the press reports?

THE PRESIDENT: It has not been brought to my attention yet and I have not read the press reports.

Q Could you tell us the purpose of your discussion with Governor Maybank?

THE PRESIDENT: Just to say, "Howdy."

Q The subject of creating a home port for the Atlantic Fleet at Charleston, when created, was not discussed?

THE PRESIDENT: No. As a matter of fact, it was not discussed at all but, naturally, there will be no home port for the Atlantic Fleet, if and when created. The Atlantic Squadron, as it is now, will use all of the Navy Yards on the Coast (the Atlantic Coast). You take, out on the West Coast, you know there is no home port. There is San Diego, San Pedro, San Francisco Bay and a couple of places there, and Puget Sound. There is no fixed place.

Q Wouldn't that include the development of some of the more promising ports on the East Coast?

THE PRESIDENT: Oh, I suppose they will develop in an ordinary, normal way, depending on the Navy needs, that is all.

Q Have you heard of any differences between the Governor of Alaska and the Navy Department concerning labor on Kodiak Bay?

THE PRESIDENT: I never heard of it. All I know is Kodiak bears. (Laughter)

Q Aside from the bears, there is supposed to be quite a discussion up there about Governor Gruening's ruling that one hundred per cent of all the labor employed at the base be drawn from the Territory.

THE PRESIDENT: The Aleutian Indians, is that it?

Q I understand that is it and the Navy Department does not want it. (Laughter)

THE PRESIDENT: Well, the answer is, "Go and catch a salmon. You will feel better." (Laughter)

CONFIDENTIAL
Press Conference #616,
Executive Offices of the White House,
January 19, 1940, 10.50 A.M.

Q (Mr. Godwin) Good morning, Mr. President.

THE PRESIDENT: Earl (Mr. Godwin), as far as I am concerned you might just as well put the lid on before the Conference. I know nothing.

Q (Mr. Godwin) We have Kenneth Crawford, head of the Newspaper Guild, here. I want to make a statement. You know him, of course?

THE PRESIDENT: Yes, sure.

MR. DONALDSON: All in.

THE PRESIDENT: Next?

Q Mr. President, are you planning the appointment of an ambassador to Germany soon?

THE PRESIDENT: Not that I know of. I read about it in the newspapers; that is the first I heard.

Q I think for the sake of the record you might like to know that we have another president with us today, a member of our Association, Kenneth Crawford, of the New York Evening Post, who has been elected the president of the American Newspaper Guild. And, in connection with that, there is an interesting bit of politics which may be prophetic: Mr. Crawford was elected by a terrific majority; he carried Vermont, New Hampshire and Maine and all like that --

THE PRESIDENT: (interposing) Gosh, he is the fellow I have been looking for. (Laughter)

Q (Mr. Godwin) He is the fellow. (Laughter)

Mrs. Roosevelt, the First Lady of the land, was put forward

as a possibility and she withdrew and Mr. Crawford is of the opinion that when a Roosevelt leaves the field, the opposition cleans up.

THE PRESIDENT: Well, did my wife pick him? (Prolonged laughter)

Q (Mr. Godwin) Well, that is the day's story.

THE PRESIDENT: I think that will hold you.

Q (Mr. Godwin) That will hold me.

THE PRESIDENT: All I can say is that I wish Brother Crawford a very happy tenure of office, following this magnificent unanimous vote, and I hope he will do something to shorten the hours of all of you good people and perhaps get you a little more pay.

Q (Mr. Godwin) May we amend that to have the Press Conferences on time? (Laughter)

THE PRESIDENT: Yes. I only go on the theory that a little silent meditation for fifteen minutes is good for everybody.

Q We don't get it.

Q Sir, have you reached any conclusion on the Federal Judge for this district that we have been talking about?

THE PRESIDENT: No. I hope to get two or three more judicial names up next week. I do not know whether the District of Columbia will be among them or not.

Q Have you had time to take up the Director of the Division of Territories?

THE PRESIDENT: Not yet, no.

Q Is the next reorganization plan nearly ready?

THE PRESIDENT: Not yet, because it was a fiscal question and we all worked terribly hard over the Budget, as you know. When we got

through with the Budget I told the various people in the Budget offices I thought they were due for a little holiday so we have not got to it yet.

Q Did you discuss it with Woodrum (Representative Clifton A. Woodrum) and Cochran (Representative John J. Cochran) yesterday?

THE PRESIDENT: No.

Q What do you think of the economies of the House with respect to the first big supply bill?

THE PRESIDENT: Well, it depends on which headline and which lead you read.

Q They cut about ninety-five million.

THE PRESIDENT: Of course the principal cut there was on the Maritime Commission and I have not talked to the Maritime Commission about that since then. It is a question of policy, of how fast we will go on building up the Merchant Marine, and that is largely a question of replacement of ships overage, how fast they want to do it. You see, practically speaking, there was almost a complete cessation in commercial shipbuilding in this country from after the World War down to two or three years ago when the Maritime program started, so nearly all the ships that some of us people remember were built during the World War period and they are all twenty years old.

Rec'd 4-3-56

Q Is there any doubt in your mind that those three bodies, the National Resources Board and the Office of Information and the Council of Personnel Administration, which were put out of the bill for various reasons, are you sure they will go back under the proper -- [Government Reports]

THE PRESIDENT: (interposing) I hope so, because, in the first place,

the total of appropriations for those three agencies is so very small compared with anything else. All three of them together cost, oh, about half of what one commercial ship would cost, which is an interesting parallel. They are, all three of them -- two of them, rather, are money saving agencies. Well, I will give you a very simple example on the National Resources Committee:

I am studying now -- I won't give you a story on it at the present time because it is a darned good story by itself -- but in the course of the next couple of years we are going to be able to throw open to settlement this very great region called the Columbia Basin, which is the old bed of the Columbia River. When Grand Coulee starts the pumps going, pumping the water up on the Columbia Basin -- some of you have been there with me -- it means irrigated land for, oh, as I remember the figure, about eighty thousand families and probably another twenty thousand families to run the services for those eighty thousand.

That is a population, eventually, of half a million people.

Now, what are we going to do? Let them come in like Topsy, first come, first served? Shall we take people who need to go there or people who do not need to go there? Are we going to let that half a million people go in for one special crop, like the Yakima Valley did, and produce more apples than we can possibly use? Are we going to turn the area over to sugar beets and add to our complicated sugar problem? Or, are we going to plan for this? Are we going to make it purely agricultural or will we plan to put local industries in there?

Those are things we do not know. How does the Government

study a recommendation to the Congress? No one department of the Government has qualifications to make a complete study. It is economic, social, agricultural, et cetera and so on. There has to be some small Government agency to make studies of that kind, calling on other Government departments, calling on private industry, private agriculture, to help work out a plan. That is the National Resources Board and, actually, by this type of planning ahead for new things, we save the expenditure in the future of millions and millions of dollars that could be saved by preventing overlapping and by preventing the kind of economy in this region which would lose a hundred times the cost of running this small National Resources Committee.

The other one, of course, is this Council of Personnel. I think that the cost of running that is somewhere -- I do not know what -- a hundred and twenty-five thousand or a hundred and seventy-five thousand a year?

Q Twenty-six thousand dollars on this item.

THE PRESIDENT: Yes. I think the estimate was fifty thousand dollars?

Q The amount was very small.

THE PRESIDENT: Anyway, it is a very small amount. Well, what has that done? It has brought in together personnel officers from every department of the Government -- I think there are twenty-four -- and they are headed by a former Congressman, Mr. Davenport, a former republican from up-State New York, and Freddie Davenport, meeting with these people, is accomplishing a uniform policy of employment in the Government. He is preventing the stealing of one man in one department by another department. They are working out

systems of promotion according to merit. What was it, two years ago, when they had an investigation in some of the departments which looked as if they were boosting pulchritude? You remember that?

Q Yes.

THE PRESIDENT: Now, this Council of Personnel Administration is giving everybody a square deal based on merit. It will improve the Government service.

Then, the third agency is Government reports. Well, somebody has to coordinate these things and the principal users of the Government reports are the members of the Senate and House. Anybody who wants a report, wants to get information about any subject, get hold of that office and you will get it inside of twenty-four hours. They may send a truckload of information. They have the whole thing there.

So, I hope very much it will go back in the bill.

Q Mr. President, have you made any study to find out how many other agencies are subject to a point of order?

THE PRESIDENT: I do not think there are any more. There may be. But it is perfectly all right. If they are subject to a point of order and the House wants to raise a point of order, it is perfectly all right. In other words, that is the way they conduct their business and therefore they cannot be criticized by any other branch of the Government.

Q If there are such agencies, you will ask for legislation authorizing them?

THE PRESIDENT: Yes, or else put them where they have been before, which

is on the relief bill.

Q One of the things they said was that the National Youth Administration had been created by an Executive Order?

THE PRESIDENT: I guess that is right. I am not sure; you had better check. If it was, then it is subject to the same point of order.

Q Then you will ask for legislation?

THE PRESIDENT: Yes.

Q Mr. President, just to make it accurate for this local situation: Those leaders that left here the other day gave me the impression that these two, the Lowell Mellett (Office of Government Reports) and the other one would go on the relief bill. I think they gave me that impression, whether they said that or not.

THE PRESIDENT: I think they were just talking about it. You see, there are two ways: one, that these can be added in the Senate to any bill, or the other way is to put them on the general relief bill where it is not subject to a point of order.

Q Could what you have said about the Columbia Basin be applied to the dislocation of the population in the cutover areas in the South and in the Northeast?

THE PRESIDENT: Yes, that is true. There are quite a number of southern governors and others who are very anxious to have a population survey made in connection with agriculture and industry. Nothing definite is being done on that at the present time but it is one of the things that can be.

Q What do you think of the procedure of the Smith Committee investigating the Labor Board?

THE PRESIDENT: I do not know. I do not know a thing about it.

Q Mr. President, are you planning to see Senator Brown on the Finnish aid bill?

THE PRESIDENT: I do not know.

GENERAL WATSON: No, sir; he is not on the list.

MR. GODWIN: Thank you, Mr. President.

THE PRESIDENT: Everything is all quiet. Put the lid on.

CONFIDENTIAL
Press Conference #617,
Executive Offices of the White House,
January 23, 1940, 4.05 P. M.

Q You saw the Lincoln film, did you not, Mr. President?

THE PRESIDENT: Yes.

Q How did you like the way they scrambled up the Lincoln-Douglas debate?

The way they jammed it all together?

THE PRESIDENT: I will tell you afterwards the way Pennsylvania tried to cut it down through censorship.

MR. DONALDSON: All in.

THE PRESIDENT: I don't believe I have anything. I believe Mr. Young may have another question to ask.

Q (Mr. Young) No, sir; I think you finished it the other day.

(Mr. Young was referring to the exchange between the President and himself at the Alfalfa Dinner the previous Saturday evening.)

THE PRESIDENT: All right. From now on you can rely on me.

Q (Mr. Young) You don't even know me. (Laughter)

Q When Senator Wagner left you this afternoon he said that he had been discussing with you the Finnish relief situation. He did not give me any information but did say that there was something in the wind at the White House.

THE PRESIDENT: You will have to go to the Hill.

Q He referred us to the White House and, since he is a spokesman from the Hill, we thought you might know something.

THE PRESIDENT: The developments will come from the Hill.

Q The term of Mr. Eccles, the Chairman of the Federal Reserve Board, expires the end of this month. Can you tell us what will happen then?

THE PRESIDENT: You are a little previous; I do not know yet.

Q Mr. President, do you agree with Secretary Morgenthau that $50,000,000 debt limit would be an advisable thing?

THE PRESIDENT: I have not heard anything about it except what I read in the afternoon paper. I will have to check first.

Q He testified that.

Q Mr. President, our cable dispatches from the Virgin Islands and various other places indicate that there is a flotilla of about twenty-two naval vessels maneuvering down about the Leeward or Windward Islands. It appears that they are in training maneuvers with the battleship TEXAS participating. Can you tell us the nature of those maneuvers?

THE PRESIDENT: Just the normal exercises. They will go down from Guantanamo, a portion of them, I suppose about half of them will go down to Curacao and Aruba and Bonaire, which are three Dutch islands down there, and the other half will probably go to various ports in Venezuela and then join up and have exercises on the way back and, on the way back, go back by way of the Windward and Leeward Islands and probably stop in, by detachments, at the Dutch island in the -- I don't know whether it is the Windward or the Leeward group --

CAPTAIN CALLAGHAN: I think it is the Windward group.

THE PRESIDENT: -- Windward group -- Saint Eustatius (Note: It is in the Leeward group), and then come back to Puerto Rico, on the south coast, and end up at Guantanamo at the end of the practice cruise.

Q Are they attempting to establish any definite theory in the maneuvers?

THE PRESIDENT: No, just fleet maneuvers.

Q Are you going to recommend any special measures for Puerto Rico at this conference that you talked over with Governor Leahy?

THE PRESIDENT: That I do not know. It is in the process of study yet as to whether any additional legislation is necessary or not.

Q Can you tell us whether recommendations have been made by you for the veto of the so-called Jenkins Bill?

THE PRESIDENT: That is on my desk at the present time and has not been acted on. In fact, it is right in front of me.

Q The term of notice to Japan on abrogation of the trade treaty expires February twenty-sixth. Is there anything to be said about negotiations on a new treaty?

THE PRESIDENT: I do not think so. I do not think there is any news on it at all.

Q Have you any ideas to express on it, sir?

THE PRESIDENT: No.

Q This question about fleet maneuvers suggests another question: Have you any plans for traveling any time soon?

THE PRESIDENT: I would like to get a trip some time in the winter but I am vague on it still. I did not get much holiday last summer. You know, I got called back early.

Q How about Hyde Park?

THE PRESIDENT: The end of next week.

Q Anything on the St. Lawrence Waterway discussions?

THE PRESIDENT: Have they arrived yet?

Q Yes.

Q (Mr. Merwin Browne) Mr. President, in the room is Mr. Lebherz (Mr. Edward J Lebherz) of the Buffalo Courier Press and myself. Together we represent about 400,000 readers in Buffalo and I was wondering if there isn't something you could tell us about the St. Lawrence Waterway. I understand that there are a lot of things you cannot talk about in view of the negotiations, but a little background on our hopes and where we are heading would help us.

Q I would like to add the plea of Wisconsin to that request for something on the St. Lawrence Waterway.

THE PRESIDENT: I think -- I believe the word "background" applies to this exceedingly well because I have been talking about it since I was a comparatively young man. Background is a good word.

I have felt and I think the good people of Buffalo, your 400,000 readers, when the thing is done -- not if -- we will realize that Buffalo will be helped and not hurt by the building of a dam in the St. Lawrence and the development of navigation and power simultaneously. I have not changed my mind very much ever since I was a young man as to the good it will do the United States, including Buffalo and Wisconsin.

Q And the North Atlantic ports?

THE PRESIDENT: And the North Atlantic ports won't be hurt one bit either. Portland, Maine, I think will in the long run be benefited.

You know, it is an interesting thing, whenever we have improved the transportation facilities in one section, existing transportation facilities have not suffered, in spite of the almost constant opposition to any new facility by the old facility. It is just one of those things -- history proves that point.

Q Two Illinois Senators called here some time ago to deliver a letter from Governor Horner protesting against the phase of the St. Lawrence Treaty which, under the old agreement, would have kept regulation of water diversion from the Lakes into the Sanitary Canal at Chicago under control of an international commission. Has that phase of the thing been removed?

THE PRESIDENT: Yes, and that is one of the things that, when Mayor Kelly came in the other day, I forgot to talk to him about. The situation in regard to Chicago is this: The Federal Government has always advocated the diversion of enough water out of Lake Michigan to provide for barge

transportation from Chicago to the Mississippi, the same depth of the water that they have in the Upper Mississippi. What is that, nine feet?

Q Nine feet, yes.

THE PRESIDENT: Right. That I have always said Chicago ought to have, just as St. Paul and Minneapolis have got it. I believe we will be able, in conjunction with Canada which, after all, has equal rights with us to the water of the Great Lakes, to provide enough water for that navigation.

But, when it comes to a question of providing additional water to carry Chicago's sewage down into the Mississippi and into the Gulf, I am against it.

Q That is being taken care of, partially, through the Supreme Court order on treatment plants.

THE PRESIDENT: Chicago sewage, every bit of it, every cubic foot, ought to go through a sewage disposal plant and that requires comparatively little water. When Chicago is taking care of its sewage, one hundred per cent, they will be able to take care of their needs for navigational purposes.

Q You are not referring to political sewage? (Laughter)

Q It will be necessary for Congress to pass additional legislation in order to provide additional water for Chicago?

THE PRESIDENT: No, Congress cannot get around a Supreme Court decision or a treaty.

Q There isn't anything that Congress can do in that regard?

THE PRESIDENT: No, except by agreement with Canada. The Supreme Court is tops on that.

Q Is there anything in the cards that looks like a change in connection with the negotiations?

THE PRESIDENT: I think they are discussing that point. I am not familiar with the details. Certainly I am not going to insist on an extra amount

of water to carry raw sewage down the Chicago or Illinois Rivers.

Q Do you expect any difficulties in connection with the financial end of the demands for airplanes and other munitions and implements of war by France and England?

THE PRESIDENT: Not that I know of.

Q One clarifying question on this Chicago thing: There has been some discussion on the Hill, largely stimulated by an Illinois member, on legislation to place control of water diversion for navigation purposes within a domestic bureau or board of some sort in the United States rather than having it connected in any way with international control.

THE PRESIDENT: Well, it is international water.

Q It must remain there by treaty?

THE PRESIDENT: As far as I know, it must.

Q The question of diversion, that must remain?

THE PRESIDENT: As to what we do with the amount of water allocated to us, that is entirely our business. A domestic authority or the Congress or any other body can dispose of our own amount of water.

Q After an international agreement on it?

THE PRESIDENT: Yes.

Q Mr. President, will Senate ratification of this treaty be required?

THE PRESIDENT: Oh yes.

MR. GODWIN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #618,
Executive Offices of the White House,
January 26, 1940, 10.45 A. M.

THE PRESIDENT: Good morning, Dean, how are you? You know, it is pretty good now. I recognize him every time I see him.

Q (Mr. Young) Bob Fleming had a party yesterday and they are still kidding me.

(Mr. Young then suggested that he could secure for the President a copy of Fulton Lewis' speech at the Alfalfa Club dinner, that he would give the President a copy of it whereupon the President suggested that he would like to have it because he could then steal a few of the quips.)

THE PRESIDENT: You know, I have no scruples about stealing things, absolutely none.

Q (Mr. Young) He probably stole it himself.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think I have a blessed thing this morning.

Q Have you any comment on the expiration of the Japanese-American trade treaties?

THE PRESIDENT: I don't think so.

Q Any suggestion?

THE PRESIDENT: No.

Q There is a story published this morning to the effect that the United States Government and its authorities are winking at the practices of certain aviation companies which are permitting French crews to operate planes which are delivered to Canada for the British account.

THE PRESIDENT: I never heard of it until I read the headline. Whose jurisdiction is that, the Customs or the State Department or what?

Q As far as I can find out, there are about four: the State Department for the Neutrality Act, the Immigration for the French Observers' Board and there is the Civil Aeronautics Authority for the licensing of the air-

plane pilots, and then there is the military branch, with the Army.

THE PRESIDENT: I don't know. I suppose you had better go and ask those people. I never heard of it.

Q I think you suggested that you would be soon sending to Congress the third Message on reorganization. Is that in sight, sir?

THE PRESIDENT: At the present time there are two under preparation but I cannot give you any date yet because I don't know.

Q On the same subject --

THE PRESIDENT (interposing): On reorganization.

Q -- will these be intradepartmental?

THE PRESIDENT: Intra and inter, both.

Q I checked on the airplane story. No American plane has been flown across the Border.

THE PRESIDENT: Right.

Q Could he make that statement again?

Q I checked that story this morning and no American planes have been flown across the Border.

Q Mr. President, what do you think of John L. Lewis' critical remarks about you and the Democratic Party?

THE PRESIDENT: Now, will you give me a reason why I should answer a question of that kind? (Laughter)

Q It would make good copy, Mr. President. (Laughter)

THE PRESIDENT: There you have your answer.

Q Mr. President, I have several Ohio questions I would like to ask. The first one: Mr. Donahey has hung his political intentions on the fence and, as he puts it, the national political picture clears up. I wonder if, in your talk yesterday, you gave him any green or red lights?

THE PRESIDENT: We talked very little politics yesterday, mostly other things.

Q Mostly other things -- in that connection, the Ohio social security bill was vetoed and I understand that some of the Democratic Congressmen have suggested to you that you might order the Board to pay some of this money to Ohio. Would that be consistent with the reasons you gave for your veto?

THE PRESIDENT: I don't think so. I think that is completely inconsistent with the veto.

Q Mr. President, what is the status of your hospital plan, the rural hospital plan?

THE PRESIDENT: I have got a preliminary report in my basket and I suppose I will probably get to it in the course of the next couple of weeks.

Q There was one story that you might send a Message on January thirtieth, your birthday?

THE PRESIDENT: That would be within the next couple of weeks but I have no expectation I will be able to get around to it by then.

Q Is there anything in the Louisiana situation that you would like to comment on?

THE PRESIDENT: I don't know a thing about it except that they have a runoff primary. That is all I know.

Q Does an American who goes overseas to fight for Finland or Germany or England or France lose his citizenship?

THE PRESIDENT: I have been surprised that you people have never asked that question before because I looked it up about two months ago and I got a memorandum on it which is somewhere in this desk drawer. (Laughter) Wait until I find it for you. Well, there it is, dated September 5, 1939. I got it from him (the Attorney General) because I supposed somebody would ask the question and nobody has. The Attorney General -- this relates to any American citizen who enlists or is commissioned in any foreign army, navy or air force of a belligerent country and the Attorney

General says -- let me get it down to where it is plain English. He gets expatriated, that is to say, he loses his rights of citizenship when and if he takes an oath of allegiance to a foreign state.

(Reading)"Consequently if the terms under which an American citizen enlists in the service of a belligerent power require an oath of allegiance to be taken to the belligerent power, the American citizen by enlisting and taking such oath of allegiance would be deemed to have expatriated himself. If no such oath is taken, however, his citizenship would continue unimpaired. The mere fact of entering into foreign military service does not of itself divest either nationality or domicile, nor amount to renunciation of American citizenship."

And then, by way of just another authority, you remember our old friend, John Bassett Moore, this memorandum says, "See John Bassett Moore, International Law Digest, Vol. 3, p. 730 and following." He is our old friend.

And, of course, also, as you know, the other thing is this: That it is against the law for any foreign nation to solicit enlistments within this country, or to make enlistments within this country.

Q Is Finland a belligerent country?

THE PRESIDENT: What?

Q Is Finland classed as a belligerent country?

THE PRESIDENT: No, but that raises another point on which I have not yet gotten an opinion.

Q Does this apply only to belligerent countries, or to any foreign army or navy or air corps which would require an oath of allegiance to a foreign government?

THE PRESIDENT: This memorandum of September fifth says that

(Reading)"Section 17, title 8, United States Code, provides that 'any American citizen shall be deemed to have expatriated himself * * * when he has taken an oath of allegiance to any foreign state.'"

That does not say "belligerent" but

(Reading)"Chapter 2 of title 18, United States Code, which deals with offenses against neutrality, is directed almost exclusively to unneutral acts done within the territory or jurisdiction of the United States. This is certainly true with respect to sections 21 and 22 which relate to enlistment of American citizens in the military service of a belligerent power."

Of course, the thing summed up is very simple, that no foreign nation can legally maintain an enlistment service in this country, nor can they solicit enlistments within this country.

At the same time, if an American leaves the country and enlists outside the borders of the country, he does not lose his citizenship unless he takes an oath of allegiance to that foreign country.

Now, there is the whole thing in a nutshell.

Q Do you happen to know, Mr. President, what foreign governments will permit service in their Army and Navy without an oath of allegiance?

THE PRESIDENT: No idea at all.

Q I was at the Finnish Legation and an American aviator came in and offered his services to Finland and they said to him that the best thing for him to do would be to write a letter in. They said that they had not taken such volunteers but that they had a file on them. I was wondering whether that was a solicitation?

THE PRESIDENT: It depends. You will have to give me a few more facts. If a fellow comes in and says, "How can I enlist in the Finnish Army without losing my citizenship?" that is an interrogation. He is asking for a piece of information. That is not a solicitation. That is an offhand, horseback opinion which I think any court would sustain. But, if there is any active work on the part of Finland to cause enlistments over here, that is a different story.

Q May we have the opinion of the Attorney General, either in detail or in part?

THE PRESIDENT: Well, it is an informal opinion, not one of those opinions

that is written for the book. It is a personal opinion sent to me in the form of a letter.

It is signed by Acting Attorney General Jackson on September 5, 1939. If he wants to revamp it and give it in the form of an official opinion, that is all right with me. I see no need for it. You have the whole story right there.

Steve (Mr. Early), that (handing Mr. Early the letter of the Acting Attorney General under date of September 5, 1939) can now go to the files. They are four months late in asking the question.

Q Mr. President, last week a group of labor and liberal leaders directed to you a protest against injustices in the conduct of the WPA trials in Minneapolis. I wondered if there was any action regarding that?

THE PRESIDENT: None of us know about it.

Q Can you tell us whether you suggested to Senator Donahey that he be a candidate for reelection this year?

THE PRESIDENT: Not lately. I did some time ago. I told him I hoped he would run.

Q Did you say there was no need for him to be a favorite son candidate for President in Ohio?

THE PRESIDENT: The only thing I said to him, last spring on one occasion I said, "Vic, I hope you will run again." It started there and ended there. Not much of a story on that.

Q Anything to tell us of your appointments for Federal Judgeships which are vacant?

THE PRESIDENT: No, Bob Jackson is coming in sometime over the week end to talk about a lot of them. He and I do that from week to week.

Q Can you tell us anything about your discussion with Leon Henderson?

THE PRESIDENT: Just the general progress of the TNEC. (Temporary National

Economic Committee) work. The same way I have talked to Senator O'Mahoney and various others.

Q Thank you, sir.

Q Mr. President, with regard to your remark with reference to Senator Donahey, have you made the same remark to Senator Guffey?

THE PRESIDENT: I have not discussed it with him at all, one way or the other. I am afraid there is no new story on that either. (Laughter)

CONFIDENTIAL
Press Conference #619,
Executive Offices of the White House,
January 31, 1940, 4.20 P. M.

THE PRESIDENT: How is everybody? Earl (Mr. Godwin), I hear you did a very humorous broadcast this morning. I am sorry to say I was asleep and did not hear it.

Q (Mr. Godwin) I was too. I stayed up all night.

THE PRESIDENT: May (Miss Craig) won't have any questions because she didn't have a chance to lie in bed.

Q (Miss Craig) I have got one but I am scared to ask you.

Q (Mr. Godwin) I will ask for you.

Russ (Mr. Young) is sick again.

THE PRESIDENT: Is he really? Has he a bad cold?

Q (Mr. Godwin) Yes. You know, a cold depresses him both mentally and physically

THE PRESIDENT: I don't know how it can be done but of course Russ ought to go south and spend a whole month. It is the only way.

Q (Mr. Godwin) He could.

THE PRESIDENT: And it is a better time to do it now than later on when Congress is getting busy.

Q (Mr. Godwin) I will tell him to do it.

THE PRESIDENT: Take one month down in the South. They have had all the cold weather down there now and probably it will be all right.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any news at all. I will go up to the country over the week end and probably will be able to stay there until Monday night and get back here Tuesday morning and sometime on Tuesday, when they have finished their work, the Democratic National Committee will come here and shake hands.

Q Mr. President, will you have any message -- I don't mean any formal message, for the Democratic meeting?

THE PRESIDENT: No, just say "How do."

Q Just say, "How do." You won't send any message?

THE PRESIDENT: No.

Q Have you decided to withdraw the nomination of Paul Leake to be Collector of Customs at San Francisco?

THE PRESIDENT: I have not heard a word. I do not know what has happened.

Q There has been some fussing around the Hill and it has been suggested that his name will be withdrawn?

THE PRESIDENT: I have not heard a word.

Q Will Mr. Eccles stay on?

THE PRESIDENT: I think so.

Q No reappointment?

THE PRESIDENT: Oh, I think there will be an appointment. It is a pretty good guess.

Q Have you, sir, received an invitation from the British Government to appoint an arbitrator in the Guatemala-British Honduras matter?

THE PRESIDENT: I have not heard of it. The State Department may have but I never heard ot it.

Q Mr. President, when are you planning to leave for Hyde Park?

THE PRESIDENT: Well, maybe on the midnight train tomorrow night. It depends a little on how bad I feel at that time.

Q (Mr. Godwin) What do you think you will call the President's Birthday Ball next year? (Laughter)

THE PRESIDENT: You admitted to me five minutes ago that you were up all night.

Q (Mr. Godwin) That did not answer it.

THE PRESIDENT: So you are excused.

MR. EARLY: Advance the date for thirty days.

Q (Miss Craig) Mr. President, I would like to know why you are pushing the St. Lawrence Waterway now?

THE PRESIDENT: Don't you think I am rather late in pushing it? Don't you think I should have started two or three years ago?

Q I thought you wanted a short session?

THE PRESIDENT: Sessions, if they are short, sometimes put through a great deal of very important legislation. You will find in the history of legislation that the longer the session, the less it does. (Laughter)

Q Mr. President, what do you think of Senator Harrison's proposal that financial aid to Finland should be in the form of a bond issue publicly subscribed instead of by direct Government loan?

THE PRESIDENT: Well, of course, the Government would not have anything to say about that, one way or the other.

Q I thought probably you might have an opinion on it?

THE PRESIDENT: No.

Q Last Friday three men were in to see you, Littell (Norman Littell, Assistant Attorney General), Chapman (Oscar Chapman, Assistant Secretary of Interior), and Mr. Dimock (Marshall Dimock, Second Assistant Secretary of Labor) and that is the same group of three men who were referred to last year as being interested in a liberal convention or meeting at Salt Lake City. Were they talking about some such meeting?

THE PRESIDENT: No, they were talking about liberal principles. (Laughter)

Q Any particular application of those principles?

THE PRESIDENT: No, just fine liberal principles.

Q Will you comment on the report that Mr. Farley is going to leave the Cabinet and Senator Mead is going to take his place?

THE PRESIDENT: That is a brand new one. I never heard of it before.

Q Have you any comment on today's phase of the relations between the United States and Japan?

THE PRESIDENT: I don't know. I have not heard a word for two or three days. There is nothing new. I have not got anything you haven't got.

Q Going back to Mr. Littell and Mr. Dimock, they were not in to see you on Government business, is that correct?

THE PRESIDENT: No, they were talking liberal principles.

Q Are you any closer to a determination of when you will send in the third reorganization Message or Messages?

THE PRESIDENT: I don't know yet. We are getting along with it, that is all.

Q Will the Eccles reappointment go up tomorrow?

THE PRESIDENT: I don't know.

Q Will that be two years?

THE PRESIDENT: I don't know. I gave you a good lead and I cannot give you any more.

MR. GODWIN: Thank you, sir.

CONFIDENTIAL
Press Conference #620,
Held in the President's Study at Hyde Park, New York,
February 2, 1940, 12.15 P. M.

THE PRESIDENT: I do not know what you fellows are going to write about.

What would you do if I said there wasn't any news?

Q They probably wouldn't believe us, Mr. President.

THE PRESIDENT: That is the trouble. The people out in the field tell the truth but the offices won't believe it.

Q I have a question for Mr. Godwin. He wants to know if we will be coming up here next February? (Laughter)

That is number 173.

THE PRESIDENT: I don't think I have got anything at all. Oh, I will tell you what -- I am trying to think of something for you to write about -- you know, they have been making perfectly terrific cuts, the Committee has, in the agricultural bill, so I dug up what I said, so there won't be any question about it, in my Budget Message, and I do not see why it should not be reprinted. There is no copyright charge; it is all right.

I said in the Budget -- I will let you have this, you can take it down with you,

(Reading)"I have carefully checked the individual estimates under these broad categories and I am satisfied that no lower figures can be attained except at the expense of impairing the efficiency with which laws are administered or of working undue hardship on individuals and economic groups. I refuse to accept the responsibility of adopting either alternative."

Then in another place,

(Reading)"We must not only guard the gains we have made but we must press on to attain full employment for those who have been displaced by machines as well as for the 5,000,000 net addition to the labor force since 1929. We must, therefore, avoid the danger of too drastic or too sudden a curtailment of Government support."

And then the final one, which is the direct application,

> (Reading)"I do not believe that the majority of people feel that the agricultural programs should be reduced below the figure of $900,000,000 because this figure, in itself a large reduction below the current year, will be barely sufficient to carry out soil protection and surplus removal operations."

So that is about all there is. There is nothing new to add to it.

Q In that connection, sir, may I ask this: Senator Pat Harrison, in his statement regarding the Finnish loan, the other day, had down in the body of his statement --

THE PRESIDENT (interposing): I did not read the statement, only the headlines.

Q The statement, in effect, was that we cannot afford this -- that was one point -- and then, down in the body of the statement, he said, "We have a moral obligation for $200,000,000 in parity payments." That was in the formal statement. He was asked about that. He was asked who had morally obligated the Government. "Well," he said, "the agricultural agents did."

Do you know where that $200,000,000 figure came from?

THE PRESIDENT: I do not know. I give it up. We have this law in the statute books today. For a crop planting season, we do have to tell farmers of every kind what the Government program is going to be, but they have been told that for the past year.

I do not know what he is talking about.

Q The parity figures would be unbudgeted money, would it not?

THE PRESIDENT: You will find in my Message -- somewhere else, it is not in these excerpts. What I said was that we have a definite obligation and, of course, I would have to recommend later on in the session -- you remember that -- additional amounts if our hope -- you remember I used the word "hope", not the expectation -- is not fulfilled, if the hope is

not fulfilled and the prices do not go up a little further than they are now, or words to that effect.

They say that hearing up there -- this is off the record -- was a perfect scream in the Senate because dear old Townsend of Delaware tried to bring out that if we did not make these proposed, these proposed loans, this hundred million dollars to various countries, that Jones (Jesse Jones, Administrator, Federal Loan Agency) would be able to turn back a hundred million more of surplus capital. You know, part of that capital return is in the Budget. Well, Jones talked to him for half an hour to explain that it would not make any difference at all with respect to the return of his free funds. Pat (Senator Harrison) did not get it at all nor did Townsend.

Q What was that, the Banking and Currency (Committee)?

THE PRESIDENT: Foreign Relations.

Q We thought this would not affect the seven hundred million?

THE PRESIDENT: It does not affect it at all, one way or another. Everybody got it except those two.

Q You think the House ought to bring the farm appropriation back into the Budget figures?

THE PRESIDENT: I am standing on the Budget. I have nothing to add to what already has been said.

Q Did you notice the bill that Senator Vandenberg introduced? It is in this morning's paper.

THE PRESIDENT: I do not know. I only read the headlines. I couldn't talk about it intelligently. The only thing I could give you would be a little background, the general idea that it is a favorite trick, if you do not like one method of administration to put through another method of administration, the results being exactly the same in the long run,

except that you get credit for something which, in the long run, does not amount to a hill of beans, because we have that system that he is proposing, exactly the same thing.

It is just one of those political maneuvers at this particular time and in the usual election year.

That is just background stuff, no attribution in any way, not even to Bill (Mr. Hassett).

Q High sources at Hyde Park? (Laughter)

Q Bill (Mr. Hassett) has broad shoulders.

Q Mr. President, some of the boys that took a look at the snow this morning are wondering whether it would not be a good idea for a fishing trip pretty soon, down to Florida?

THE PRESIDENT: Say, that is not a bad idea. I thought you meant a fishing trip up to that lake in Washington.

Q Lake Crescent?

Q I bet that snow is still there.

Q We are thinking about the Gulf of Mexico, for the record?

THE PRESIDENT: Yes.

Q And expense accounts.

THE PRESIDENT: Yes, that is something, isn't it?

Q Mr. President, the world war, either yesterday or today, is five months old and, at its outset, you said you firmly believed we could stay out of it. Do you still think so?

THE PRESIDENT: Nothing to add to it, one way or the other, obviously. In other words, any statement made holds until there is another one. That is the easiest way of putting it.

Q Could you comment, sir, upon the operation of the Neutrality Act since --

THE PRESIDENT (interposing): No. We are beyond -- off the record -- they are

way beyond my mind and I guess they are way beyond your minds. That is off the record. In other words, that is a thing the State Department is capable of talking about and none of us is.

Q In your conference with Jim Farley did you talk over the Monday meeting of the National Committee?

THE PRESIDENT: I think about a quarter of a minute, that is all.

Q There is a good deal of interest in this liberal principle you discussed with Administration men the other day.

THE PRESIDENT: I don't think you can pull me out any further on that.

Q How about an application of liberal principles to the Democratic Convention this summer? Do you think you will find an opportunity for practical expression on that?

THE PRESIDENT: I think you could find a great deal you can quote from things I have said in the past, the Jackson Day Dinner --

Q (interposing) Chapel Hill?

THE PRESIDENT: What was that?

Q That was full of liberal democracy.

THE PRESIDENT: That is fine. I have not withdrawn any of it.

Q We will get Kannee to look it up.

THE PRESIDENT: I doubt whether Kannee has that with him. It was quite a while ago.

Q I was just thinking of it in connection with the weather.

THE PRESIDENT: That was a pretty bad day.

Q He is trying to sell the Gulf of Mexico.

Q Nobody asked you the other day about your talk with Colonel Knox. What did you talk about?

THE PRESIDENT: I did not have anything to say. It was a very nice talk.

Q He said he was discussing Finnish relief.

THE PRESIDENT: He was talking mostly -- this is off the record, too -- about the Chicago Tribune. It was unprintable and you can't use it.

Q You said it was off the record?

THE PRESIDENT: You can't use it, it was unprintable. (Laughter) You couldn't use it, either.

Q Knox will use the conference to say you offered him the post of Secretary of State.

THE PRESIDENT: No, we were talking about the future of Bertie McCormick instead of his. I made it quite clear where he ought to be now and where he undoubtedly is going, therefore, it is unprintable.

Q Is Mr. Patterson going with him?

THE PRESIDENT: Strictly between ourselves, I think that Joe (Captain Joe Patterson, of the New York Daily News) would have agreed with Knox and me.

Q Mr. President --

THE PRESIDENT (interposing): Three Groton boys, -- Bertie and Joe and me.

Q Mr. President, have you any plans over the week end?

THE PRESIDENT: No, just going to have a very quiet time. Mostly sleep. I am going through a lot of books and things.

Q Mr. President, you cannot blame the Hyde Park Board of Education for naming one of the schools after you, I would not think?

THE PRESIDENT: Has that been announced?

Q Yes, sir.

THE PRESIDENT: It has. Well, I did my best to prevent it.

Q I think it is a nice thing for them to do.

THE PRESIDENT: I told them they ought to maintain the old rule of not calling any school after a living president. However, I guess I am very much honored by it.

Q Yes.

THE PRESIDENT: I had suggested calling it the "Great Nine Partners School" after the original grant.

Q The Great Nine what?

THE PRESIDENT: The Great Nine Partners.

Q There isn't any legal aspect to it, for naming it after living --

THE PRESIDENT (interposing): No.

Q You plan to return Monday night, probably?

THE PRESIDENT: Yes, unless I have to go back earlier, some State Department thing, but I don't think so.

Q You are keeping closely in touch?

THE PRESIDENT: I suppose so. Theoretically, very closely in touch, constant telephones, et cetera and so on.

Q How about church?

THE PRESIDENT: I would not write anything about church.

Q (Mr. Durno) It is my turn to go to church.

THE PRESIDENT: It is the kind of thing that there is no use explaining to the public. You see, we are not in the church any more and the little chapel is darned hard for me to get into -- a couple of steps -- so it is doubtful whether I will go but I don't know why there should be any reason for explaining it.

Q It was Durno's turn to go and he wanted to.

THE PRESIDENT: George is all right; he is improving every year that goes by.

Q No, it was the six dollars awaiting him. (Laughter)

Q Jim Fly of the Federal Communications Commission was up here last night in the course of a test of television in this vicinity and I thought it was sort of interesting that he should happen to come here along with the engineers.

THE PRESIDENT: Did he, really? Where was it sent from?

Q From New York.

THE PRESIDENT: How does it work?

Q There are about fifty sets in this area, right near Poughkeepsie.

THE PRESIDENT: I guess this is not a good radio area?

Q No, but yours is pretty good.

THE PRESIDENT: We have to do an awful lot of fussing with it.

Q Down around Newburgh they sold a lot of sets. They dropped the prices way down as a sort of test.

THE PRESIDENT: Did they, really? The Hudson Highlands have something to do with reception up here.

Q Maybe. I would not want to say definitely. They claim on this observation thing -- they have a fifty-mile radius out of New York now and they hope to extend it nearer New England.

Q The engineers are trying to what they call "push back the horizon" all the time.

Q This test was around here?

THE PRESIDENT: Just on those little bit of hand sets I got much better reception on top of the hill than I did down here. I do not know why.

Q Have you any comment on the return of Bullitt?

THE PRESIDENT: Just coming back to report, that is all.

Q Anything on George Earle's reported nomination?

THE PRESIDENT: Nothing yet.

Q Is that something in the works?

THE PRESIDENT: I think so.

Q I hate to bother you too much but there was one little ceremony here yesterday that you would probably be interested in. They placed a wreath on the grave of Smith Thompson who was --

THE PRESIDENT (interposing): I was reading it. It is very interesting. Was he a member of the Constitutional Convention in Poughkeepsie?

Q I believe so, yes. He studied under (Chancellor) Kent, right in Poughkeepsie and then he ran for Governor and he, of course, was secretary to the Governor.

THE PRESIDENT: Is he buried in the rural cemetery?

Q Right down here in the Livingston burial ground.

THE PRESIDENT: He must have married a Livingston to get in there.

Q Yes, he married two Livingstons.

THE PRESIDENT: That is a joy. I didn't know that.

Q It is true.

THE PRESIDENT: It is a shame that the old Livingston house was torn down. I don't ever remember seeing it. It must have been torn down in the 90's, wasn't it?

Q They found and preserved two doors.

THE PRESIDENT: Did they?

Q They were over on Church Street for years in a couple of little old shacks. I photographed them a couple of years ago.

THE PRESIDENT: There is one bit of news of local interest: The site for the Hyde Park Post Office has not been chosen because it has to be so big that it has to include several parcels and they have not yet got a low enough price on any one of the possible sites. But the building itself is going to be a replica in stone, field stone, of the original house of Dr. John Bard, which was just above the church, above the village. It is rather an interesting type of architecture. The house was built in 1765 and I think torn down about 1880.

Q What was John to Samuel (Bard)?

THE PRESIDENT: John was the father of Samuel and they were both George

Washington's physicians. The reason that John came up here was that he married the granddaughter of old Peter Fauconnier, who was the original patentee. He was the old scalawag secretary to the Royal Governor, who picked up various grants for nothing.

Q He married the granddaughter of Peter Fauconnier?

THE PRESIDENT: And that was the Hyde Park patent.

MR. DURNO: Thank you, Mr. President.

THE PRESIDENT: Oh, you can learn so much about old history that you will be taking an examination to get on the staff of the new Library.

Q We were talking, coming up here, about buying 1500 acres and retiring from the newspaper game, and becoming country squires.

THE PRESIDENT: Why 1500 acres? Each a hundred and not see each other all the time?

Q It is a good idea.

Q Did the fire do much damage?

THE PRESIDENT: Just the scaffolding.

I will tell you, if you buy land around here nowadays and live on it and use it, it will be worth money.

Q It would be costly to get in that cemetery. Two marriages.

THE PRESIDENT: There must be some Livingstons left. You would get free burial ground.

I have figures on comparative recovery, 1932 and 1939. I do not think you want them. We can have a Conference on Monday and cut out the Tuesday Conference. Don't you think that is a good idea?

Q Grand.

Q Swell.

THE PRESIDENT: Monday afternoon, instead of Tuesday afternoon, because Tuesday I am going to be jammed. I have that whole committee coming in. Why

don't we do that and then I will work out these figures for you?

Q Right.

THE PRESIDENT: Well, don't lose too much to each other. It is all you have to do.

Q Your advice is too late. Felix Belair is the winner.

THE PRESIDENT: Take it away from him.

CONFIDENTIAL
Press Conference #621
In the Study of the President's Home at Hyde Park,
February 5, 1940, 11.30 A. M.

THE PRESIDENT: Good morning; how is everybody?

Q Fine.

THE PRESIDENT: It is a lovely day. It isn't cold and everything is all well.

I've got that comparative thing but before I do that I want to call attention, through the Press, to the story in the financial page this morning, a report on the FDIC. Now, the reason for my doing that is that a very, very small percentage of the population ever reads the financial pages of the paper -- we all know that. But a very, very large percentage of the population have got deposits in banks of various kinds and therefore the only way of bringing it to their attention is for the President to say something about it in his Press Conference. (Laughter)

There isn't any use going into any details. You can find it in all the papers this morning. The significant fact is that from the beginning of deposit insurance, in 1933, 315 insured banks were closed. There were 877,000 depositors who had a total of deposits of $294,000,000. and those depositors with less than $5,000. in those banks were paid in full. Those deposits of under $5,000. were 97.9% of the total deposits. Now, that is going some.

Finally, there should be the suggestion that they were paid off right away quick, without having to wait for a part or the whole of their money after a long period of several years of liquidation. They got their money out right off.

As I say, the reason for my calling it to the attention of the public via you good people is that most people would not know it otherwise. It is a good line. In other words, there is a certain way you can get facts affecting the pocketbooks of nearly a million people before all the depositors of all the banks.

Q As I recall it, there are a couple of proposals pending on the Hill by Steagall, Chairman of the Banking Committee, to insure deposits fully up to $10,000.

THE PRESIDENT: That has been a proposal for a long time but I have always opposed it.

Q On what grounds, Mr. President?

THE PRESIDENT: On the ground that we are trying to protect 97.9% of the depositors and that the people who have more money in the banks than that ($5,000) are quite capable of taking care of themselves -- which is a darned good answer.

Q It seems like you have the figures on your side this morning.

Q They can put it in thousand dollar bills and hide it in their safety deposit boxes. (Laughter)

THE PRESIDENT: Shhh. Don't speak ill of the dead. That is off the record.

Q Off the record, that was a surprising thing.

THE PRESIDENT: It is a perfectly amazing thing. Of course, in all human probability it was a perfectly legitimate thing.

Q Of course, coming from Chicago, only gangsters did that and the public is educated to that, too, by this time.

THE PRESIDENT: You will remember that we had black boxes in the State of New York once upon a time.

Q A tin one.

Q Of course that could be explained. A couple of big fees just before he came to the Senate and his life insurance.

THE PRESIDENT: Yes. This is also off the record: It always reminds me in the old days -- I mean, way, way back -- my father always kept $500 in gold -- this is off the record entirely -- because he said you never can tell when you need money in a hurry. Of course, in those days the banks were not insured and most of the paper money you had was bank notes. You could never tell whether the bank notes you happened to have were not of a bank which had closed up the day before. So he always kept that gold. On some days when the family ran short he would trot out some gold pieces.

In those days nobody ever had passports. When we went abroad in the early 80's and 90's, nobody ever thought of having a passport -- it is an amazing thing but nobody ever thought of keeping a passport. I never had one until the World War. And everybody kept on the bottom of his handbag or valise about twenty or thirty pounds in gold -- English sovereigns, which were accepted everywhere in Europe.

Now you have to get a passport and a letter of credit and God knows what.

Q (Mr. Harkness) Before you get to the figures, let me ask you this question: On Saturday, the Democratic State Committee of Pennsylvania, meeting at Harrisburg, (a) declined to endorse Mr. Guffey specifically, and (b) unanimously endorsed you for a third term. Have you any comment on that?

THE PRESIDENT: No, there is no news. No use asking questions; we are all tired of it.

Q (Mr. Trohan) To give you a little add: Illinois did a little thing too; a small matter.

Q You said, "all tired of it." Did you mean the question or of what is going on?

THE PRESIDENT: I think all of you are tired -- that you agree with me. Put it that way. Also, as background, let us put it this way: Your desks are very, very silly because, very obviously, when anything is said, it will be at a time of my choosing and not of their choosing.

Q It will be a good story too.

THE PRESIDENT: Perfectly fair. And we are awfully tired. We have had some grand wisecracks on the part of the Press and on the part of the President; awfully amusing but, after all, you can drive a willing horse to death, both the Press and the President.

Q We will keep on trying, Mr. President.

THE PRESIDENT: I wouldn't because -- just tell your office that you don't want to be put in a ridiculous or immature position.

Q We can't tell when we might hit your timing.

THE PRESIDENT: Well, these figures are quite interesting and there is no implication in them, one way or the other, except that about two weeks ago they came in from one of the statistical bureaus and I was so much interested in them that I got them rechecked. They are comparisons between the calendar year 1932 and the calendar year 1939 and also between the month of December 1932 and the month of December 1939. They are tremendously

interesting.

The first --

Q Are we going to get copies of this?

THE PRESIDENT: Yes. I don't know that it is even necessary to make copies. It is just this one page and I will give it to Kannee and he will show it to you afterwards.

The national income was 40 millions in 1932 and 68 millions in 1939.

Q Billions?

THE PRESIDENT: Billions, I mean. That is up 71%.

The next is a December-December figure. Wages and Salaries: in December, 1932, $2,403,000,000 and, for December 1939, $3,888,000,000, up 62%.

Then, even more significant, again for December, weekly payrolls of factory workers, 80 million for the month of December 1932, and 197 million for December 1939.

Cash farm income -- Poughkeepsie papers please copy -- for the calendar year 1932, $4,682,000,000; for 1939, $7,712,000,000 plus $807,000,000 farm benefit payments, or a total of $8,519,000,000, or 82% up.

Then there are two things in here that I asked about that are very interesting because these next two figures need analysis. In the calendar year 1932, the interest received by individuals was 9% greater than in 1939. Now, the analysis: the reason for that -- mind you, this is interest; it is not dividends and is not profits from corporations; it is just interest on loans, mortgages, bank deposits, etc. -- the first reason that the

interest in 1939 is 9% lower than it was in 1932 is that the interest rate has gone down and people are able to borrow money at a much lower rate than they did then. The second reason is that the total debt, the burden of debt of the country has gone down and, as was pointed out -- I think it was in my Budget Message or the Annual Message -- the total of all Government debt, the debt owed by government, isn't any bigger today than it was then, and the debts owed by individuals and corporations is a great deal less than it was then. Those were the two reasons that interest paid or interest received is 9% less now than it was then.

Now -- this is going to be an awful shock to some editorial desks -- dividends received by individuals, that is out of the profits of corporations, have gone up 55%, from $2,745,000,000 to $4,253,000,000, so it does not look as if everybody in business has been doing so badly.

Then your next figure is between the two years 1932 and 1939, and the comparison relates to non-agricultural employment. That does not mean, of course, just industrial employment but means the small storekeeper and the gasoline station people and services of all kinds, transportation, light and power, etc., and so on. It has gone up 28% from 27,245,000 to 34,940,000 people. That is 28% up. That includes all forms of employment except direct agricultural employment.

Then, bearing a little bit on the reciprocal trade agreements: between 1932 and 1939, 1939 shows that our exports are up 97%. That is a tough one to get around -- from $1,611,000,000

to $3,179,000,000.

Then, the final figure, -- my Lord, I am loading you down with this stuff; of course, you will carry all you can, but God knows what the desk will do to you -- the comparison between 1932 and 1939, the Federal Reserve Board index of production has gone up from an average of 64 in the calendar year 1932 to an average of 105 for the calendar year 1939.

Q Is that all industry, or manufacturing?

THE PRESIDENT: I think all industry, all production.

The only other note is that on that figure of non-agricultural employment that went up 28%, from 27 million to 34 or 35 million people, it does not include nearly 3 million people who had worked on WPA, CCC and NYA. It does not include them.

Now, those are pretty formidable figures to take up and try to show that the country is bust --

Q (interposing) For the benefit of my editorial desk, if not several others, can you elaborate on your statement that Government debt today is no higher than it was in 1932?

THE PRESIDENT: It is not. In other words, local debt, state debt, county debt, city debt, has gone down the full extent that Federal debt has gone up. And private debt has gone down, therefore the total debt has gone down.

Q Do your figures argue a connection between city and state and local debt and the increase in Federal debt?

THE PRESIDENT: The deduction is that the Federal Government has taken on a great many things that were formerly carried by the municipalities and the states. Well, the best example I know

of, for instance, for New York, is that in 1930, 1931 and 1932, the State of New York, when I was Governor, had to bear 100% of all relief work, all of it. We got nothing from Washington. Of course, since that time, a varying amount, depending on the year, a very large portion of that cost has been taken away from the state governments and borne by the Federal Government, thereby reducing the expenditures of the State for relief.

Q Your goal for income is 90 billion dollars, as I recall it?

THE PRESIDENT: What?

Q Your goal for national income -- didn't you set it at 90 billions?

THE PRESIDENT: I set it at eighty first. We have to go to that mark and then shoot for the ninety.

Of course, on this whole thing -- as you know from my messages, just to put it in the simplest possible terms, we are up to 70, running that average at the present time, and, of course, if we can get it up to eighty by everybody's putting as many people to work as he possibly can, it means that the Federal expenditures for relief would necessarily go down -- that is obvious -- and, at the same time, keeping our present taxes approximately, the income of the Federal Government would go up, obviously.

There seems absolutely no question at all that if we can get up to an eighty billion dollars a year income level for the nation that we would have a little better than a balanced budget. Of course a lot of people don't want to do it that way. They want immediately to cut government expenditures down in such a drastic way. If we did that we might have a repetition of what

happened in 1937 when we cut government expenditures so drastically and so fast that purchasing power was immediately affected and we had a recession -- of course it wasn't a depression -- a recession in the fall of that year that made itself felt from the fall of 1937 until the spring of 1939.

Q Mr. President, do you have any kind of a peep at what 1940 holds in store -- any prediction? Will we come near the 80 billion?

THE PRESIDENT: I don't think we want to do that. Nobody knows. There are too many coefficients in this present situation, internationally.

Q The reason I ask is that I have seen predictions that business is going to fall off during the first quarter, but the hope is --

THE PRESIDENT (interposing): Yes, you will get that from the statistical agencies in Washington. There is a new one every week or so.

Q You spoke of some bureau having prepared these figures. Can you tell which one?

THE PRESIDENT: Various ones. They are listed down here at the bottom as "sources." (Reading) "1, 2, 5, 6, 8, Dept. of Commerce. 3, 7, Dept. of Labor. 4, Dept. of Agriculture. 9, Board of Governors of the Federal Reserve System." And then, of course, the Statistical Division, Lubin's division, tying in and Lauch Currie working with them. Here is Currie's note. You can look at it but don't quote it.

I don't think there is anything else. I don't know who wrote the story that I went up to the Hill Cottage -- I didn't, but I am going up this afternoon. It is a good guess, but a bum one. I am going down to the lower woods this afternoon to

look at timber, cutting, cleaning out the woods, et cetera, to see if we can get any cordwood or logs down there that can be cut up. Then we will go to the Hill Cottage and that is about all.

Q What do you refer to as the lower woods?

THE PRESIDENT: That is down by the river.

Q Any estimates of the length of time that an eighty billion dollar national income would have to be sustained in order to arrive at a balanced budget?

THE PRESIDENT: About a year, offhand. There is a lag you know. In other words, say on the year 1940, to give you an illustration, the great bulk of the taxes on production this year don't come in, don't begin to come in until March 1941, and the great bulk of them are payable in four installments, through 1941. That is why I say there is probably a full year's lag before the Federal Treasury actually receives the benefit of it.

Q Mr. President, do you plan to come back here again this winter?

THE PRESIDENT: I think probably the old Library will need looking over again around the end of March.

Q That is coming along very well?

THE PRESIDENT: Fine, fine. They are doing the plaster work.

Q Have you heard anything more about the Vanderbilt estate and if the Government is still interested in it as a park?

THE PRESIDENT: I have not heard anything for about a month but, as I understand it, the title searchers are going on and it is hoped that this spring it will be taken over by the Government, that is to say, that portion of it lying west of the road,

west of the (Albany) Post Road.

Q What would it be used for specifically? Would it be a forest preserve?

THE PRESIDENT: No, just one of the historic places that the Government owns.

Q How many acres would that be, about 400 acres?

THE PRESIDENT: I think about 250, as I remember it.

Q Will that take in all of the area west of the Post Road?

THE PRESIDENT: Yes.

Q Have you ever had any ideas in mind as to how this big mansion can be used, as long as you are going to have a park there?

THE PRESIDENT: Well, I will tell you a story and you cannot use it. (Laughter) You cannot, any of you, use it because it is a very funny story and I would hate to hurt anybody's feelings. I will tell you how much of it you can use afterwards. Here is the story: Of course I remember the place when it was owned by old Mr. [Walter] John Langdon. There was a house on it -- it was not the original house -- built about 1840, when people were all crazy about the Italian villa type of architecture. You know that (type) along the river here; it is a brick house, with a tower on one end and two stories here and one story there and three stories there, et cetera. It looks like a train of cars.

I think it was old Dr. David Hazzard who built the old Italian villa. It was a nice house in those days, painted brown on top of the brick, and plenty of room, very high ceilings, and it really went pretty well with the landscaping, it did not stick out.

ACB 4-11-56

Of course, I also think of the place as having historic value because of the Bards, who built it originally and brought trees from all over the world. Old Dr. John Bard and Samuel Bard, his son, a great naturalist, brought trees from Honolulu, Norway, France, England, Scotland, and Dr. Hazzard, who followed, brought trees from Russia and Siberia. So, it was a real arboretum and some of those trees came from almost every part of the world and were marvelous specimens. They are undoubtedly the best specimens in the United States, trees from Japan and China.

I have always thought of it as being a very beautifully landscaped place, with marvelous samples of trees, and I thought the Government ought to own it. So this Board came up from Washington -- not from Washington, from all over the place, this Advisory Committee, with one or two architects and one or two landscape gardeners and three or four eminent historians on it. I told them about it and said, quite casually, "Of course there is on it a marble mausoleum that does not go with Hudson River country at all. It cost a million and a half dollars and I don't know what we are going to do with it but I think, in spite of it, the place itself and the trees are worth taking over."

They came back to Washington and said, "The trees are lovely" but that the Government ought to own it because of the mansion. I said, "My God, why?" They said, "Well, it is probably the best example of the millionaire period in American history that can be found in the United States. It was built in the year 1899 or 1900. It was designed by Stanford White and Charles McKim, of McKim, Meade and White. It is an enlarged version of the

Petit Trianon at Versailles and inside there are some of the most beautiful rooms anywhere in the world today. There are all kinds of lovely paneling that came out of European palaces and some very wonderful old furniture that came out, again, of European palaces. There are a great many tapestries that are almost priceless and, because we have, luckily, been getting away from that millionaire period of American history, it should be preserved as an example, just in the same way we hope that somebody will come along some day in the Hudson River Valley and give to the Government a marvelous example of Victorian Gothic -- you know, those God-awful things we have around here occasionally, the house with towers and windows that go like that (indicating), perfectly terrible stuff from our point of view today, that Victorian architecture, but it ought to be preserved for history, for people to go and look at just as much as one of the old New England Colonial houses or Virginia country places or things of that kind. We want to get a complete, rounded picture."

They went on and said, "We ought not to stop there. We ought to get something like the amazing and God-awful Pullman [Palmer?] Palace in Chicago, with brownstone and towers and minarets all over it, just to show the period."

So, they have listed the place up here as being of ultimate historic interest.

Now, I cannot use that because, of course, it would hurt the feelings of all the Vanderbilt family and Mrs. Van Alen, Fred Vanderbilt's niece, who is going to give it to the Govern-

Rec'd 4-5-56

ment. So there is my predicament.

The way I think I would write the story is that the Government Advisory Council was greatly interested in this place, not only because of the plantings that go back two hundred years, of these trees from all over the world, but also because the McKim, Meade and White house is one of the best examples of American country house building of the period 1899-1900.

Now, that does not hurt anybody's feelings. At the same time, that with the house, Mrs. Van Alen is proposing to give all of the paneled rooms and the furniture, which is very classic, et cetera and so on, and tapestries and pictures that were collected by Mr. and Mrs. Vanderbilt. That lets everybody out and it is perfectly true.

Q What Mr. Vanderbilt was it?

THE PRESIDENT: Frederick W.

Q Who is Mrs. Van Alen?

THE PRESIDENT: She is Mrs. James L. Van Alen, one "l" in Van Alen, A-l-e-n. She was a niece of Mrs. Frederick W. Vanderbilt. It is a very wonderful gift.

Q May I ask what consideration is involved? Do they give the house?

THE PRESIDENT: They give the whole thing. You see, it is this historic section in the Department of Interior and I think it is under National Parks. It was set up four years ago with the authority to receive by gift -- it has to be an unrestricted gift -- historic monuments, houses, et cetera, which were passed on by this Advisory Committee. They have to be O. K.'d for their interest and everything else by this committee of distinguished experts.

Q May I ask -- it does not involve Congressional action at all?

THE PRESIDENT: No. All it involves is this: The next thing is, there would be sent to the Congress an estimate for the upkeep of that part of the place. An admission fee, I suppose twenty-five cents, would be charged, and then, as it gets better known, that twenty-five-cent fee should take care of the entire cost of maintenance so that the Government would not be out of pocket on maintaining the place.

Q Do you know if there are any plans for recreational development along the river? They have a boathouse down there -- whether that would be available for yachts?

THE PRESIDENT: I doubt it at the present time for this reason, that we have got here in the county the Norrie Park and the Taconic State Park Commission has the Mills place right above that. But it is the kind of thing that if the demand should accrue in the future, there would be a reason for that. But we do not think there is a demand yet.

Q Van Wagner has been talking about the tax burden these properties put on the town. Would this be an undue burden on the town?

THE PRESIDENT: The answer, of course, is this: This is only a portion, I suppose about a third of the entire place and, in a closed condition, it is not employing anybody except a caretaker. If it is turned over to the Government it would probably employ a great many people who will build or buy homes in the vicinity and gradually, over a period of a few years, the assessed valuation of the town will increase at least as much as the deduction from that portion of the Vanderbilt place.

Well, just the same way with this Library of mine here. There are eighteen acres. It will probably employ a total of twenty people, which means that a number of them will build or buy homes within the town (of Hyde Park) or in the City of Poughkeepsie, but probably in the town. Therefore the assessed valuations will go up.

MR. DURNO: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #622,
Executive Offices of the White House,
February 9, 1940, 10.50 A.M.

THE PRESIDENT: I hear old Russ got off this morning.

Q (Mr. Godwin) Yes. He got off about ten o'clock. He is going to Key West and he will report to us. I will give you a report on it.

THE PRESIDENT: Tell him I am glad he is at Key West and not on the beach at Miami because there are too many temptations there.

And if you get any rumors -- if you think that you need somebody to watch him, we have some Marines down in the Navy Yard, the old Key West Naval Station.

Q (Mr. Godwin) Well, he has got Mrs. Young with him. Maybe she will need help.

THE PRESIDENT: She may need help, that is just it. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I only have one thing of importance. I will give you the mimeographed copy of this (indicating typewritten sheet in his hand). It is being put on the mimeograph now. (Reading)

> "At the request of the President, the Under Secretary of State Mr. Sumner Welles will proceed shortly to Europe to visit Italy, France, Germany and Great Britain. This visit is solely for the purpose of advising the President and the Secretary of State as to present conditions in Europe.
>
> "Mr. Welles will, of course, be authorized to make no proposals or commitments in the name of the Government of the United States.
>
> "Furthermore, statements made to him by officials of governments will be kept in the strictest confidence and will be communicated by him solely to the President and the Secretary of State."

I think, just as a tip, that you had better just stand on that language. That is all there is to say. Using the same old phrase I used before, do not try to break it down by impossible questions. The thing states the actual fact, the whole of the actual fact, and there isn't anything more. That is really the whole thing. It is right there in those three paragraphs.

Q Will you name those countries again?

THE PRESIDENT: Italy, France, Germany and Great Britain.

Q Will there be a possibility of including Finland in those?

THE PRESIDENT: No, no.

Q You have information from these countries and from the Diplomatic Service right along, I presume?

THE PRESIDENT: Yes.

Q And while that does state the case, the question arose in my mind -- well, it sounds rather brusque -- isn't your information satisfactory up to date? I mean, do you need a new reporter?

THE PRESIDENT: You may put it this way: Suppose three or four of you were each in a separate country, an entirely separate country, probably, although you were getting everything that there was in a very excellent way from the country that you were in, it might be a good thing to get somebody to see all of the conditions in all of the countries so that one mind would be able to cover the situation instead of having four separate minds reporting on separate things.

Q Mr. President, how long may we expect Ambassador Bullitt to remain here?

THE PRESIDENT: Oh, I think a week, a week or ten days. I don't know

when he gets here.

Q Today.

Q Have these countries been approached?

THE PRESIDENT: No.

Q How long will Mr. Welles be gone, Mr. President?

THE PRESIDENT: As long as necessary to go to those places.

Q Is it a presumption that Welles will seek an audience with Herr Hitler?

THE PRESIDENT: I do not know; I do not know; it is a pure guess.

Q How long do you expect Mr. Welles to be gone?

THE PRESIDENT: As long as it is necessary to go around to those four places.

Q You have no time in mind?

THE PRESIDENT: No.

Q When will he depart?

THE PRESIDENT: Shortly. I do not know, honestly, when or which way he is going.

Q Have you advised the Congressional leaders of Mr. Welles' journey?

THE PRESIDENT: No, it is purely a matter for the President and the Secretary of State.

Q Will his office be filled by someone else here during his absence?

THE PRESIDENT: No.

Q When is Myron Taylor leaving, Mr. President?

THE PRESIDENT: I think he is going the seventeenth, is it? I think so.

Q Well, he said yesterday, sir, that you would tell us and also if there was any other -- he indicated there was something else in

connection with his visit that might be news, leaving it to you. Do you recognize that?

THE PRESIDENT: I do not think so. I cannot think of anything, no. (Pausing in reflection) No, I gave him a letter, that is the only thing I can think of. It is just a personal letter from me, asking him to go, with nothing else in it.

Q It may be that the date was in mind.

Q Mr. President, will Mr. Welles have with him any general message of any kind?

THE PRESIDENT: No.

Q Will he have any staff with him?

THE PRESIDENT: No.

Q What do you think of the Congressional proposal to lend Finland the money which she has paid on her debt to this country, that money to be paid for the purchase of munitions, arms or anything she may wish?

THE PRESIDENT: I don't know how many different proposals there are on the Hill. I sent a Message up there and they are still talking about it. And it has been, what? Three weeks nearly -- it has been just about a month.

Q Will Mr. Taylor go directly to Rome or to Florence?

THE PRESIDENT: I do not know. I suppose he will go to Rome.

Q Will Mr. Welles be in a position to discuss informally and without any binding your personal view or the views of this Government on a possible peace?

THE PRESIDENT: There you go. Now, do not get didactic. You have to stand on this statement "for the purpose of advising the President

and the Secretary of State as to present conditions in Europe."

Now, I have not got any idea, more than you have, whom he will talk to and what he will say and what they will say to him. Now, that is the whole thing. It is all in one sentence and probably anything you add, any of you, columnists or anything else, to enlarge on this, you will be wrong.

Q Mr. President, who will take care of the Good Neighbor policy while Mr. Welles is gone? (Laughter)

THE PRESIDENT: Well, I am inclined to think that this Administration is quite capable, as an administration, of carrying on a policy which is universally accepted on the North, Central and South American Continents. Now, put that down.

Q The Ramspeck Bill, which gives you the power to extend the Civil Service -- you are familiar with the bill, sir?

THE PRESIDENT: Not the details of the bill, only the purpose and the principles of the bill. There may be some things in there I do not approve of but the purpose is excellent.

Q The Executive Council of the American Federation of Labor, I believe, telegraphed you yesterday, asking you to make public the replies of the C.I.O. and the A.F. of L. to your latest peace gesture?

THE PRESIDENT: The very simple thing is that on October third I got an official telegram from Bill Green, from Cincinnati, Ohio. The important part of it is -- of course there is a whole lot of other stuff in here -- (Reading)

"As a partial reply thereto --"

That is to my letter to the convention -- (Reading)

"-- I am mailing you copy of report of Executive

Council American Federation Labor to convention upon negotiations carried on by committees representing American Federation of Labor and C.I.O. during past year. I especially direct your attention to last paragraph in said report which reads as follows: 'Our Committee still stands clothed with authority to function ready to resume negotiations when it is accorded an opportunity to do so. We have opened the door of the American Federation of Labor wide and completely. We have invited those who left the American Federation of Labor to return: we have urged them to come back home and settle differences within the family of labor in a sensible, honest, and fair way. In doing this we have been inspired by a genuine desire to establish here in America a solid united labor movement through which the economic social and industrial interests of the workers of the nation can be fully and completely served.'"

Well, I did not have any official or formal reply from the C.I.O. but -- I cannot give you the date, sometime last -- I guess it was before Christmas -- I asked John Lewis about the reconvening of the Committee and he said at that time -- mind you, this was before Christmas, I cannot tell you the time -- he said at that time that he did not think any useful purpose would be served by a meeting of this joint committee at this time. Now, that is pretty old news. What has happened since then I do not know. That is as of some date before Christmas.

Q Mr. President, has anybody brought to your attention any reasons why Senator Guffey might be opposed to renomination?

THE PRESIDENT: I do not know a thing about it.

Q Do you know of any reason?

THE PRESIDENT: I do not know a thing about it one way or the other.

Q There has been considerable discussion of the possibility of the S.E.C. taking over that Associated Gas receivership. Would you care to express an opinion as to whether that may be advisable?

THE PRESIDENT: Heavens, no. Isn't that in the hands of the court?

Q It is still in the hands of the court.

THE PRESIDENT: Don't you think that it might be proper to let the court decide that without an expression of opinion by me?

Q Mr. President, the papers this morning said you had talked with various Army and Navy people about the sale of surplus arms to Norway and Sweden. Would you care to say anything about that?

THE PRESIDENT: Not just Norway and Sweden but any neutral countries. What we were talking about yesterday was a checkup on what may properly be considered surplus. They are working on lists of things that can properly be considered surplus. Well, just for example, you know there is always a question. I remember back in 1913 the Navy still had tied up some old ships of the Civil War period and a lot of people said, "Oh, no, don't sell them; don't scrap them; they are not surplus." Well, we did sell them. And just the other day we dug up -- I don't know what -- 450 thousand pairs of shoes that the Army had that were bought during the World War. Well, you know I love old shoes and most people do, but new shoes that are twenty-two years old -- I do not know that I would want to buy them and would not know how long the sewing would hold together. That is all there is. It is a checkup to see what should reasonably be considered surplus or not. We have got, for example, we have got some British 75's, which we inherited during the World War and of course, even at that time, they were not nearly as good as the French 75's. I suppose we could argue for a long time as to whether they should be called surplus or not.

Q Has there been any request from these neutral governments that we

sell these surplus supplies?

THE PRESIDENT: A great many neutral governments have been trying to buy -- a great many, not just Norway and Sweden but a lot of others.

Q In view of the fact that war has not been formally declared, would Finland be considered a neutral country?

THE PRESIDENT: I doubt if we would sell guns directly to Finland because there is an armed conflict going on. I doubt it very much. I was talking about countries that are at peace.

Q That would include Italy?

THE PRESIDENT: Italy certainly is not engaging in war, is it?

Q No.

THE PRESIDENT: Well, that is the answer.

Q You have an appointment this morning with Mayor Putnam of Springfield (Massachusetts). Will you give us some idea of what it is about?

THE PRESIDENT: I have not the faintest idea. I did not know of it until ten o'clock this morning.

Q Did he request it or did you invite him?

THE PRESIDENT: Pa (General Watson) says he requested it.

Q Can you comment on yesterday's developments in Wisconsin where a slate of delegates was filed?

THE PRESIDENT: I have not any word at all except what I read in the papers and I don't know what the law is.

Q As ex officio Mayor of the National Capital, if you follow events you will find that Mrs. Roosevelt has exposed what a great many of us close to the ground have known for a long time as bad conditions in certain welfare institutions. I don't want to drag it

out but have you any knowledge of that situation, and have you anything to say about it?

THE PRESIDENT: Well, I have, as you know, for a good many years felt that the institutions of the District were not in good shape but, after all, the District Government is so dependent on the Congressional Committees that I have hoped that the Congressional Committees would learn about these conditions at first hand. What was it, two years ago that we looked into that institution for the delinquent girls?

Q Yes.

THE PRESIDENT: Well, of course the conditions were terrible and I don't think anything in particular was done about it.

Q Nothing, except changing the head, but nothing has been done.

THE PRESIDENT: Nothing. And yet here you have two Committees that are primarily responsible for doing something about it.

Q The Committees get their information from the District Commissioners.

THE PRESIDENT: Why don't the Committees who are right here in Washington go and see with their own eyes?

Q That is the real point.

Q This economy move in Congress seems to be pretty well developed now. Will you comment on it?

THE PRESIDENT: No. You see, I have not a single bill come down to me yet. I think one bill has passed both Houses and is on its way down, but only one.

Q They made something like a $66,000,000. cut in the farm bill and a $50,000,000. cut in the independent offices.

THE PRESIDENT: Yes.

Q Mr. President, do you think that organizations in this country should throw out members who are also members of the Communist Party?

THE PRESIDENT: Maybe you will know more about it tomorrow.

Q You speak tomorrow, sir?

THE PRESIDENT: Yes.

Q What time is that speech, Mr. President?

THE PRESIDENT: I do not know.

GENERAL WATSON: 12.30, sir.

THE PRESIDENT: 12.30. It has not been written either.

Q Any chance that Mr. Welles will attempt to find out, by personal knowledge, the conditions in Poland?

THE PRESIDENT: All I can tell you is just this (indicating typewritten release). If you get down to the details, you are sunk.

Oh, there was one thing. I got Lauch Currie to check up on those figures that I talked about on Monday at Hyde Park. Of course, the record, the stenographic record, shows that I talked about private debts in with Government, local, state and municipal government debts. Obviously, of course that was necessarily so, and the actual figures do prove that the total debt of the Nation as a whole is less today by a few million (billion) dollars than it was in 1932, and therefore there is -- I do not think that there is anything very much more to add.

Q That would include all Government and all private debts?

THE PRESIDENT: Yes, of course.

Q In that connection, the only figures I have found on private debt are those that were put out by the A.A.A., that report which shows that the total debt, public and private, is $9,000,000,000. higher

today than it was in 1932.

THE PRESIDENT: No, because that report duplicated quite a number of things.

Q Where can we get a reliable --

THE PRESIDENT: (interposing) Oh, ask Lauch Currie about it.

Of course that raises a nice question as to what is debt. What is debt? Well, now, just the simplest thing in the world, and I have used this illustration before, many times, as to the proposition of honorable statement. Suppose you borrow $10,000. and have assets of $100,000. Is it a fair thing for me to go around town saying that, "By God," you owe $10,000., that you are in debt $10,000.? Probably you could not open an account at a new store if that was the only half of the story that was told. Now, that is a very, very simple proposition because it involves a question of honesty. If the total Government debt, the Federal Government debt, is called $40,000,000,000. or $42,000,000,000., is it fair to stop there? It is a nice question. Is it a fair, honorable thing to do? And yet you see it, day after day, in print. Frankly, I do not think it is quite honorable. Now, these figures, of course, are based on net debt. They are based on not duplicating things. It is the same old story. But the fact remains that the population has gone up quite a lot. I do not know -- I do not know -- actually we will not know until later on this year as to what the population has gone up since 1932 but I imagine it is six or seven percent, at a guess. Don't you think so?

MR. CURRIE: Yes.

THE PRESIDENT: The population has gone up six or seven per cent. That

means, actually, it is six or seven per cent larger and yet the total debt of the United States in dollars is less than it was then.

Q Are you talking about debt or net worth?

THE PRESIDENT: What?

Q What I mean is, when you say debt, are you subtracting from the Federal debt the gold the Federal Treasury has, etc.?

THE PRESIDENT: I don't follow it.

MR. CURRIE: The net Federal debt subtracts the cash on hand and the gold and the proprietary interest, and if you do that also with states and municipalities, and take off the duplication of the Federal agencies being covered twice in the A.A.A. figures, you have a three or four billion dollar decrease.

THE PRESIDENT: Three or four billion dollars less debt.

Q What do you mean by the Federal agencies being counted twice?

MR. CURRIE: It includes both the guaranteed debt owed by the agencies and also the private debt owed to the Federal agencies. It is an obvious case of duplication. These figures are being revised now.

Q Do you take credit for all the properties owned by cities?

MR. CURRIE: No, just their cash and sinking funds.

THE PRESIDENT: No, not any more than you take credit for the national parks and public lands owned by the Government. You apply the same rule.

Q Are there any figures available to show how much private debt was wiped out in bankruptcy and similar proceedings during this period?

THE PRESIDENT: I suppose so. I have never seen any of them, have you?

MR. CURRIE: No.

Q How much money have you collected back from the Government agencies that you mentioned in your Budget? I think it was $700,000,000. that you expected to get back this year. Has that money been rolling in? Can you tell us how much?

THE PRESIDENT: No, I do not think that comes in until the beginning of the new fiscal year.

MR. GODWIN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #623,
Executive Offices of the White House,
February 13, 1940, 4.12 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: Here is a story of a lost letter and therefore an erroneous record. I think I told you at the last Press Conference that I had not had any letter from John L. Lewis, which was based on a search of our files, and we did not find any. Yesterday we were told by the Department of Labor that they had it and we have got it right here. Bill (Mr. Hassett) can give you a copy of it. It is a letter of October fifteenth from San Francisco and Bill (Mr. Hassett) says, (reading)

"I regret to advise you that John L. Lewis,"

this is from Bill Hassett,

> "replied to your letter to him under date of October sixth. Under date of October nineteenth you referred the letter to the Department of Labor and this accounts for its absence from our files."

Well, Bill will give you a copy of the letter. (Reading)

> "Certain of the underlying factors affecting the question of further peace conferences would appear to require additional clarification before such conferences are resumed. Our Committee does not possess any information which would lead to the belief that conferences, if resumed at this time, would be fruitful."

Which is substantially what was repeated to me, as I told you the other day, by him verbally just before Christmas.

Well, I think that is about all there is on that.

Q Is there anything further in this peace situation, Mr. President?

THE PRESIDENT: What?

Q Anything further?

THE PRESIDENT: No; no. I got a memorandum here -- another one -- the last time that that Joint Committee met, which was last spring, sometime in April, I haven't got the exact date.

(Reading)

> "It adjourned on the request of Mr. Lewis in order to give him more time to conclude negotiations with the coal operators and perform other duties which he stated to the Committee were essential. The meeting adjourned in all friendliness and with an agreement that it would meet again as soon as Mr. Lewis indicated that he was ready to continue."

Q From whom is that memorandum?

THE PRESIDENT: That was my memorandum.

Q Based on information supplied?

THE PRESIDENT: Yes, what all the members of the Committee agreed on. And I think that is all of that.

I am going to leave, as I have been telling you all along, on my annual trip. I am going to leave tomorrow and take a little trip of about ten days. I don't know definitely yet what port I am going from. I am going to get on a boat and that is why I am going to limit it to the three Press Associations. I would like to have all two hundred of you with me but we haven't got that many bunks and if I were even able to take the correspondents of individual newspapers who have accompanied me to Hyde Park and other places, there would still be a good many hurt feelings because others would like to take the trip as well, including May (Miss Craig) and Doris (Miss Fleeson) and so on, and it would be extremely embarrassing for the Navy to

say that it cannot be done.

Q Mr. President, would you like to exchange good wishes with Senator Guffey before you go?

THE PRESIDENT: What?

Q Exchange plugs or good wishes?

THE PRESIDENT: I have not heard anything about it.

Q Political good wishes?

THE PRESIDENT: I do not know what you are talking about.

Q On his candidacy. Would you like to comment on Senator Guffey's candidacy?

THE PRESIDENT: No -- anybody's candidacy.

Q Getting back to John Lewis, do you want to comment on his proposal that they have a meeting on March fifteenth?

THE PRESIDENT: No. I just gave you the old record.

Q Can you tell us what you talked about with Representative Cliff Woodrum and Representative Lindsay Warren? They said you discussed budgetary matters.

THE PRESIDENT: Just budgetary matters, that is all.

Q Did you discuss the economy drive or the cuts already made?

THE PRESIDENT: No. I told them I hoped very much that the putting back of the money for the National Resources Planning Board would go through in the conference and go through in the House, and they are entirely agreeable to doing so on the simple ground that that is, we all consider, a very necessary part of the Office of the Chief Executive and would be for any Chief Executive.

Q Mr. President, I believe about two weeks ago you had a conference with James D. Mooney of General Motors Corporation,. who has just

returned here from Germany. Can you tell us anything?

THE PRESIDENT: No. I see lots of people from all over the world and don't comment on any of them.

Q Did you discuss with Mr. Farley his entrance in the Presidential Primary in Massachusetts?

THE PRESIDENT: No, not that.

Q Mr. President, can you tell us, please, about your two conferences yesterday with the Pennsylvania Democratic leaders?

THE PRESIDENT: They just told me a lot of things. I didn't tell them anything. (Laughter)

Q Well, the last one, the one with Messrs. Boland (Representative Pat Boland), Bard (Guy Bard) and others, that apparently was shrouded in secrecy?

THE PRESIDENT: No, I don't think so.

Q Well, they came in the side door and went out either the side or back doors?

THE PRESIDENT: They must have had some reason for it.

Q They were not on your calling list so apparently the White House has some responsibility?

THE PRESIDENT: It was down on my list here.

Q It was not outside.

THE PRESIDENT: Wasn't it?

Q Did Ambassador Kennedy show you the statement he said he was going to issue tonight regarding his candidacy or becoming a candidate?

THE PRESIDENT: I never heard of it; he didn't mention it.

Q The Senate Banking and Currency Committee this morning decided to postpone action on the Townsend Resolution, which may put an end

to the purchase of foreign silver until they can ascertain the Administration attitude on that question. Would you care to tell us, sir, what your attitude is?

THE PRESIDENT: No, I think you will have to wait until we look into it a little further, when the Secretary (Secretary Morgenthau) gets back in about ten days.

Q Were there any other items in addition to the National Resources Board that you discussed with Cliff Woodrum and Lindsay Warren that you would like to add to that statement of yours?

THE PRESIDENT: I don't think so. We talked about the Naval Appropriation Bill which apparently has had cut out of it the laying down of two new battleships, and I personally -- I told them I hoped the Senate would put back the laying down of two new battleships.

Q The Senate or the House?

THE PRESIDENT: The Senate -- oh, it would come up in the House but I am talking about the Committee action.

Q The bill is before the House now?

THE PRESIDENT: The bill is before the House now. I do not know if they are going to make an attempt to put it back in the House.

Q I thought maybe you meant the House?

THE PRESIDENT: I was going on the assumption that no effort would be made in the House.

Q Are you going to take any action whatever with respect to the slate of delegates put in in Wisconsin and in Illinois in your behalf?

THE PRESIDENT: I do not know a thing about it.

Q Have you come to any nearer news on the intra-Departmental Message and Orders?

THE PRESIDENT: No, I should say there would not be anything on it until, oh, about the tenth or fifteenth of March.

Q Is that "inter" or "intra"?

THE PRESIDENT: "Inter" or "intra," either one -- both.

Q Mr. President, would you care to comment on the encouragement of the teaching of democracy in the schools of our country today?

THE PRESIDENT: Gosh!

Q I am from Chicago (The Chicago Times); perhaps I should not have asked the question.

THE PRESIDENT: Well, we get lots of good questions from Chicago. It seemed to get me off balance and completely cold.

Q You are never cold, not in Chicago anyway.

We have to meet the challenge of Naziism in Germany and Stalinism in Russia. In other words, would you consider encouraging the move to really foster the study of democracy from the very beginning in all our schools in this country?

THE PRESIDENT: Let me put it in an even broader way and beyond (at this point the Press were laughing and applauding the reporter for the Chicago Times) and beyond schools.

Q Yes, sir.

THE PRESIDENT: In other words, for graduates, like you and me.

Q You are; I am not.

THE PRESIDENT: Yes, you are. The way I would put it is this: that I honestly believe that democracy, as a whole, can best be encouraged by enlisting freedom of the press but, in addition to

that, freedom of information about what goes on all over the world and then, if people get every side of every story, it will almost necessarily help the democratic processes. I think freedom of information is just as essential as freedom of the press so as to give the honest, factual news about any old subject that people are interested in, no matter what the origin of the subject or place of the subject. And that, of course, should be carried all the way down into the curricula of schools.

Q Would you care to supplement the praise that the press is giving Justice Black for his defense of civil liberties yesterday?

THE PRESIDENT: What was that?

Q That Florida case.

Q Unanimous decision.

THE PRESIDENT: If I were, I would put in a general dig that some of the Press should not give a little praise but also a modicum of apology for things they have said in the last two years. Is that fair?

Q That is what I was thinking.

Q Do you expect to see Green (President of the American Federation of Labor) and Lewis (C. I. O.) on your return from the trip?

THE PRESIDENT: I do not know; I suppose so.

Q Will you not see Mr. Welles before he goes?

THE PRESIDENT: I was going to see Sumner today but he is in bed with a touch of the flu and I hope to see him tomorrow morning before I go.

Q Any developments in the disposal of surpluses -- in your plans for the disposal of surpluses you spoke of last week?

THE PRESIDENT: Agricultural surpluses?

Q The laid up fleet, shoes, guns?

THE PRESIDENT: No.

Q Anything to be said about your talk with Ambassador Bullitt?

THE PRESIDENT: No, just talked over all kinds of things. I talked to Joe Kennedy today and Sumner Welles -- what was it? -- three days ago and I am talking, I think, with the Secretary of State this afternoon.

Q With all those conversations, there should be a lot of situations talked over?

THE PRESIDENT: All kinds of situations.

Q Can you tell us anything about the things you talked with Kennedy about?

THE PRESIDENT: Oh, just the general world situation.

Q Is there any particular reason for the vehemence with which the White House denied there would be a joint conference with Mr. Welles and Kennedy and Bullitt?

THE PRESIDENT: No, except that it was a fake story, that is all.

Q Beyond suggesting a conference for labor peace, do you have any blueprint in your mind on how it could be done?

THE PRESIDENT: No; no. I have got very little on my mind.

Q Mr. President, was the settlement between the Colombian Government and the foreign bondholders brought to your attention?

THE PRESIDENT: Only in general, that the thing is getting on very well.

Q Do you wish to comment further?

THE PRESIDENT: The last I heard was about four or five days ago, that

the bondholders' committee had not been finally heard from but was expected to go along with the proposal. Did they do it?

Q Last night there was an announcement there had been a temporary settlement.

THE PRESIDENT: That is grand; that is a definite step in the right direction.

MR. GODWIN: Thank you, sir.

THE PRESIDENT: Well, I hope you all have a good time.

Q The same to you.

Q Don't catch too many fish.

CONFIDENTIAL
Press Conference #624,
On Board the Presidential Special Train,
Immediately following arrival at Pensacola, Florida,
February 15, 1940, 11.00 A. M.

THE PRESIDENT: Good morning, how are the boys? Did you have a good night?

Q Partly. Good morning, sir.

THE PRESIDENT: We had Ross McIntire give orders strictly in the family last night that Fox was to go around and give out solution of phospho-soda this morning, before they got up, in order to be prepared to go on board ship. Well, I don't know what kind of news I can give you.

Q I am about to ask you a question. You had better do it now. After we get on board there won't be any news. I got a telegram from New York saying you might be contacting French, British or Italian people some time during the course of this cruise.

THE PRESIDENT: I don't think I can comment.

Q You mean that that shuts off any further questions?

THE PRESIDENT: I don't think I can comment on it.

Q It might be construed as meaning there were possibilities, if you can't comment. It's a rather tricky situation and we thought we were going to get an awful kick in the pants. Please give us an honest count on this, will you? I think I am the fall guy all the way around. Is there anything you can tell us about the cruise itself? Anything you can possibly tell us?

THE PRESIDENT: I don't believe I can. It may be safe to assume, as it so often happens, that you combine business with vacation or vacation with business. I don't think I can say any more than that.

Q Mr. President, is it possible that you may be touching some Gulf port in four or five days where we might see you again?

THE PRESIDENT: Well, of course, if we do I would see you, and if not you can range alongside and I could wave to you and find out if you are all right. We can talk by radio, not all the time but most of the time. I don't mean radio, but blinker.

Q You don't know in advance what ports you are going to?

THE PRESIDENT: I couldn't comment on that.

Q Is it possible that your cruise may extend down into the Caribbean?

THE PRESIDENT: Someone had it all figured out, Tommy Qualters, that he had heard it whispered around that we were going first to the Andaman Islands, and then to the Celebes, and after that we would stop at the South Shetlands on the way back, and I told Tommy he could, and one paper carried the story this morning that we were going to the Cheruble Islands. I would suggest on the last one that you probably won't find them in an Atlas. They were discovered by a famous old navigator, Edward Lear, about 100 years ago.

Q When you say it might be safe to assume the trip would combine vacation and business, can you amplify this?

THE PRESIDENT: No.

Q Can you tell us whether there will be more than routine news or mail?

THE PRESIDENT: No, I can't tell you that.

Q Are there any particular points which cover the situation and if you can, tell us?

THE PRESIDENT: I can't tell you that.

Q It's going to be a good mystery novel, Mr. President. Mr. President, will you have a chance to inspect the Neutrality Patrol on this cruise?

THE PRESIDENT: I couldn't comment on that because obviously you will be finding out something about points of the compass.

Q By the way, it has been just about six months since that patrol was estab-

lished. Would you care to comment on that?

THE PRESIDENT: It is doing, I think, exceedingly well -- very well. Well, I will put it this way. That while there has been a big and a serious war raging, there has been mighty little of it around the shores of the Americas, besides which we are learning an awful lot from it. It is very, very helpful.

Q Could you tell us in a general way what?

THE PRESIDENT: I think if you want to write the story I would put it this way, because everybody in the Navy agrees on two points. First, it took us longer to put the reserve ships into commission than we expected, and that is a very important thing to know beforehand. We thought it would be possible to put reserve destroyers into commission a great deal quicker than we were actually able to do it. We learned very valuable lessons on that and then I would put the second lesson as the coordination between the lighter surface craft, like destroyers, and the patrol planes, in duties in the air and of the work with the lighter surface craft and for patrol purposes. Dan, don't you think those are the two important things, and the areas of ocean which can be patrolled?

CAPTAIN CALLAGHAN: Yes, sir.

THE PRESIDENT: Because there has never been an attempt before this to put any substantial patrol over any area anything this big, what we are patrolling today.

Q The point of view of lessons of national defense?

THE PRESIDENT: Don't overlook the fact it kept things pretty peaceful over on this side.

Q Is there anything you can say, Mr. President, about British blockade authorities forcing American ships into belligerent waters?

THE PRESIDENT: Nothing besides what you have all had from the State Department.

Q Are you going to do any fishing on this trip?

THE PRESIDENT: Maybe, sporadically, as we do. Sometimes we do and sometimes we don't.

Q Is there anything you can tell us about where the trip will end, or when?

THE PRESIDENT: I don't know. I wish I could help you more. I feel pretty badly about it, but I can't help.

Q Happy sailing, Mr. President. Goodbye, Mr. President.

THE PRESIDENT: Goodbye.

CONFIDENTIAL
Press Conference #625,
On board U.S.S. TUSCALOOSA,
February 19, 1940, 1.00 P.M.

THE PRESIDENT: This is a highly confidential discussion of Pan-American defense on the theory that defense of the Panama Canal is of Pan-American and not merely United States interest, and therefore an attack on the Canal would be an attack against all American Republics and not only the United States. In the same way, defense of the Canal would be a matter of Pan-American defense and not merely United States. In other words, that is really the development of the past few years of new Pan-American relations. The second point is that the defense of the Canal falls into two parts: one is the old problem of defense when we first built the Canal thirty years ago. At that time the danger to the Canal was from an attack by a fleet, followed by an expeditionary force, on either the Panama side or the Colon side. That was adequately taken care of by the construction of heavy coast fortifications, together with a comparatively small mobile army against attempts to land. Within the past few years the problem has been greatly expanded. The first defense problem is adequately taken care of by existing fortifications and mobile troops. The second problem is primarily an air problem, that is, the new one.

This second problem falls into two parts: first, the immediate defense of the Canal itself, which means planes and antiaircraft guns within the Zone. That is being built up in a satisfactory way. The (b) part of the new problem is to discover the enemy before he gets there, and therefore, because of the increased range

of modern planes, means outlying listening posts to a very great distance from the Zone itself. The modern seaplane has an effective range of 600 miles out and 600 miles back, for patrol purposes, but because of the speed of modern attack planes it is necessary to base the patrol at a substantial distance from the Zone itself. Therefore, for the past few years, three or four years, we have been examining potential temporary bases for seaplane patrols. That has meant on the Atlantic side, the examination of places with a good lee where a seaplane tender could base and act as the mother ship for seaplanes, with a sufficient area of water for them to take off and land under normal conditions. On the Atlantic side it has meant an examination to the south and east, actually into Colombian waters.

(The President explained to the newspapermen, by way of illustration, the possibilities and advantages of the Corn Islands off Nicaragua, as an outlying temporary base.)

Note: In the following discussion, the President is from time to time indicating on chart.

THE PRESIDENT: It means on the Pacific side again down to Colombian waters and out here it means up to roughly the middle of Costa Rica, and if you notice this chart you will see the reason we are here. This morning we ran into Montijo Bay because coming out of here this is across the Pacific end, that is, up toward California, and we have to come around Cape Mala. That, of course, is an excellent place for seaplanes to land in at all times of the year. Under the old treaties we have rights in the Gulf of Fonseca way up here in Honduras. The point in this whole thing is that none

of this is really a matter of treaty because in time of peace we are not going to do anything about it except to know everything there is to know about it.

We are going on tonight -- because of one perfectly obvious thing which we don't talk about -- we are going over to Cocos.

Q To Cocos?

THE PRESIDENT: You will see why, outside of fishing. There is Cocos, just a dot on the map. When you circle from there, see what a patrol plane can do? It's 500 miles across from there to where we are now. A patrol plane, if it can be based on Cocos, has got this perfectly enormous sweep of 500 miles. You can see this and see what it does. Away out to sea, and covering this whole area down to here, and away around here to a point where a patrol from here will more than cover it. They will meet. You get the whole thing actually covered if you can do anything in the way of patrol planes out of Cocos. It really is a strategic place except that physically it is one of the most difficult places to use as a base, as you will see.

Q Are the islands large enough to form a good lee?

THE PRESIDENT: No, that's the trouble. That's the whole problem. We will probably do some actual surveying there tomorrow, and with sounding rods. The soundings are pretty old and fairly sketchy, except in Chatham Bay, so really it's an effort to consolidate our continental defense thinking and planning.

Q Mr. President, you mean that because of what you are looking over you don't want us to mention any points at all?

THE PRESIDENT: No, and that's why I had to say we combined business

with pleasure. On the way back I will have the Army, Navy and Air people in the cabin and on the way through the Canal we will have a general confab on the whole thing. Cocos would be in the same category as some of these other bases. The only thing the Army has got, out of the Zone, is 80 miles away up in here. That's right up in there and they found this beautiful sort of prairie, wild, wide, prairie lands. Then, of course, it is probable that farther up, somewhere up in here, near the border, they will be able to get enough landplane bases up in there over on the Costa Rican side. The international problem really does not arise because everybody is tickled to death to recognize it as one of mutual defense, with practically nothing being done in peace time, just getting it fixed up so we can use it.

Q That place that I called La Ventor, I think that is a real estate name. It has a beach comparable to Atlantic City. The Army has an airfield right off of this beach which is a huge field, because General Brett flew a bomber up there the day that we were up there.

GENERAL WATSON: I don't really know.

Q And they were thinking of putting up quarters along that beach for the morale of the troops in the Zone.

THE PRESIDENT: It can't be far away.

Q Eighty miles.

THE PRESIDENT: This place they were talking to me about yesterday was 1500 feet high. It must be another one.

So you see the problem. The only thing I can think of to say in your dispatches is that we are in the Pacific Ocean conducting a study of Canal Zone and Central American defense on the

Pacific side, with special relation to distant defense, rather than immediate defense of the Canal, and that we are combining business with pleasure, fishing on the side, having already been, the first day, in several different localities, and from there I don't know where you go. Because you see the trouble is, once we start to talk about where we go, we give the whole thing away. You see how important this area is here, because it's a beautiful lee and yet in a straight line from here to the Canal it's very short. It's longer around by water and a comparatively short distance by air. It's only 140 miles by airline and that's why this whole area is of real interest on the continental defense end.

Q When you speak of distant rather than immediate defense, you mean distance rather than time?

THE PRESIDENT: Distance from the Canal. I think you had better call it Central American waters because that's what they are, but without mentioning any of the countries, because the national end of it really isn't involved. The whole policy of hemisphere defense affects each of the independent republics just as much as it does the United States.

By the way, now that the cat's out of the bag, the Cheruble Isles are found in Edward Lear's Book of Nonsense.

Q Mr. President, can you say how long this is likely to last?

THE PRESIDENT: I don't know yet. It depends on how things go in Washington.

Q First of the month?

THE PRESIDENT: Probably before that. Around the first of the month,

if everything is all quiet.

Q Are you planning to make a tour of the Pacific end of the defenses?

THE PRESIDENT: Yes.

Q The Panamanian President asked me about Panamanians working on the Canal.

THE PRESIDENT: Can't say anything about it. It's in the hands of the War Department and State Department and several committees of Congress.

Q You had some message at one time?

THE PRESIDENT: There have been three or four bills backed by the American Federation of Labor. Don't use it because I am not certain of the facts. Federation wants perfectly straight American employment on the third set of locks. As you know, Americans are all right for supervisory work but they cannot do backbreaking shovel work in the sun. Under the treaty with Panama we are obligated to give Panamanians equal chance with Americans on supervisory work and actually there are so few of them who can do that work, that it's a drop in the bucket compared to the total. We have to live up to the treaty in spite of any Act of Congress. Treaty supersedes any Act of Congress. This day labor -- Panama does not want a large influx of Jamaica Negroes, who are the best workers. They want to improve the percentage of white blood in their population.

Q Mr. President, is there anything you can tell us about the inspection yesterday?

THE PRESIDENT: Nothing, except they are doing awfully good work and considering the difference in defense between the first time I

was here in 1934, and today, which was only five and a half years later, we have more than doubled the effective defensive strength of the Canal, and the work is proceeding according to schedule. That's about all you can say. And then on the third set of locks, I think we have a 15 million dollar estimate in the bill, isn't that right?

GENERAL WATSON: I am not sure.

Q In the pending Army bill?

THE PRESIDENT: 15 million dollars, approximately, to get the work started.

GENERAL WATSON: The authorization is a big figure.

THE PRESIDENT: The authorization has been made for the whole project.

Q The third set of locks is very much needed?

THE PRESIDENT: Very much needed.

Q There is a great deal of comment about your meeting with President Boyd on your return.

THE PRESIDENT: I will have President Boyd on board just like I did with President Arosemena and President Arias.

CONFIDENTIAL
Press Conference #626,
On board U.S.S. TUSCALOOSA,
Gatun Locks, Canal Zone,
February 27, 1940.

THE PRESIDENT: As a general proposition there is practically nothing further on the Pacific side, but on the Atlantic side there is a further outer line of defense which, however, is defense not only for the Canal but also for the southern United States, which is based on Puerto Rico and the Virgin Islands. While Puerto Rico and the Virgin Islands are primarily for defense of the Canal they are equally for defense of the southern half of the United States on the Atlantic and Gulf of Mexico. Both of these defense problems involve perfect teamwork between the Army and the Navy, and that's why these conferences we have been having are of definite value so as to prevent any duplication or overlapping of the work.

Q. The long-range program means more planes and more guns. Do you have any idea how many?

THE PRESIDENT: I think the first thing to do is to finish the present program, and on planes and antiaircraft guns, we have only got about, delivered, half of the total that have been either recommended by the Joint Board or actually authorized, and as I remember it, about the same situation on planes. About half of them have been either appropriated for or authorized.

Q In your illustration of the concentric circles, would that be interpreted to mean that any defense plan for the Canal would envisage operations within or above these circles?

THE PRESIDENT: Of course.

Q That's the critical defense zone in the Canal?

THE PRESIDENT: When you get to the 200 mile circle you get into Costa Rica or Colombia, and the point that Dr. Boyd made that the Canal is just as important to all of them as it is to the United States or Panama itself.

Q We have a quote from Dr. Boyd to that effect. He said, "We are all in the same boat. Latin America must cooperate with the United States in defense of the Canal because we would all suffer equally." When are we going to find out where we are headed for?

THE PRESIDENT: Thursday.

Q Does your plan for the trip north envisage any stop?

THE PRESIDENT: We haven't sent any word to Washington yet.

Q Your first engagement is March fourth?

THE PRESIDENT: In the morning, I think, we have the usual services, but I haven't heard.

Q And then the Cabinet Dinner that night?

THE PRESIDENT: Monday night.

Q Your seventh anniversary.

THE PRESIDENT: Yes.

Q Do you plan anything else for that day?

THE PRESIDENT: Work and lots of mail.

Q Are you planning any statements?

THE PRESIDENT: No, signing mail. Press conference on Tuesday. I will be in a grand position because I will have just landed and won't know anything yet.

Q Mr. President, to go away from this trip itself, have you heard anything from Mr. Welles?

THE PRESIDENT: No, the usual State Department bulletins.

Q The bulletin from Mr. Welles refers to a signed message by you.

THE PRESIDENT: Personal notes, personal and unofficial.

Q And there are being presented similar notes to all capitals?

THE PRESIDENT: I don't know.

Q We had the most interesting bit of news by way of George Durno.

Doris Fleeson went to Europe at the last minute.

THE PRESIDENT: I don't think it's proper. Is Doris going to follow Sumner all over Europe?

Q As far as Paris, I think.

THE PRESIDENT: If you want to get loose from the Press don't tell anybody where you are going and when you are going. Tell them about two hours beforehand, because I am morally certain that no representative of the Press can possibly get on the same train with you. They are going to be terribly bothered because the one very distinct directive that Sumner has is not to talk. I don't think Sumner will say a single word to anybody.

Q There will be leaks from the foreign offices in the various capitals.

THE PRESIDENT: There will be in France. You can't tell the French anything confidential.

Q There is no domestic news?

THE PRESIDENT: Nothing.

Q Anything about the income tax payments in the District?

THE PRESIDENT: I haven't had a bill the whole trip.

CONFIDENTIAL
Press Conference #627,
On board train en route Pensacola to Washington,
March 2, 1940, 11.30 A.M.

Q Mr. President, for the benefit of those who were not along, tell us a little bit more about this long-range defense system of the Canal, particularly does it contemplate the acquisition of any new territory for naval use?

THE PRESIDENT: I well expected that perfectly natural question and it is one that can be answered by not only a negative but a very firm negative. I won't go into what we three talked about. (The reference is to Mr. Durno, Mr. Reynolds and Mr. Cornell). The final theory for the defense of the Canal proper is that with modern aircraft, bombing planes can fly approximately up to 600 miles and it is perfectly -- even a layman would understand that it is better policy to know about their take-off and try to get them on the way in than to wait until they get to the objective. It is primarily patrols, and it is much easier to run patrols if you can base patrols out near the edge of that circle than having to make the flight from the zone itself. They can stay out longer and cover more territory. That doesn't mean that in time of peace there would be any need for or wish to acquire sovereignty over any territory which the United States does not own now. In other words, people who jump to that conclusion haven't thought things through. The obvious reason is that with present relations between all American republics, an attack on the Canal is a threat involving all American republics, therefore it is a matter of common defense.

Q Wouldn't it imply at least an informal understanding that such ter-

ritory could be used in time of war?

THE PRESIDENT: It is not necessary. The whole thing has been implemented by the Lima Agreement and by the Panama Agreement. Nothing further necessary. In other words, there is a complete understanding. It already exists.

Q Do the facilities exist?

THE PRESIDENT: Yes, in great part.

Q Mr. President, do you propose to do anything about the action of the House in cutting out the Panama appropriations?

THE PRESIDENT: I can't say anything about it until I find out what happened. You see it was authorized by the Congress last year and a great deal of the preliminary work has already been done, which is apparently not known in Washington. Just for example, you weren't along with me on the motor trip the last day. We saw two construction camp sites actually being cleared so the contractors would have a place to locate their camps as soon as they got the contracts.

Q Patterson talked about Nicaragua for an alternate canal.

THE PRESIDENT: That was pretty well threshed out in the past. Great deal of money, and a third set of locks would give the required security and also take care of the expected additional tonnage which would use the Canal for a great many years to come if and when peace in the world is succeeded by increased commerce, we all hope.

Q I think the House Committee in knocking out that fund for the final third set of locks thought the Army was going ahead too fast.

THE PRESIDENT: The simple answer to that is Congress has complete authority to defer construction for a year but it should not be

camouflaged under any statement that they are going ahead too fast. The responsibility should rest squarely on the shoulders of Congress for delaying construction for a whole year. Plans are sufficiently far advanced to begin construction this spring. I also noted that Senator Adams of Colorado was quoted as saying that he was in favor of building a canal from the East Coast to the Pacific Coast, and a tunnel across the continent, in the press this morning.

Q What papers was that in this morning?

THE PRESIDENT: It came from New York to San Francisco.

Q Through Colorado?

THE PRESIDENT: Yes.

Q Does that go by way of the Cheruble Islands?

THE PRESIDENT: No comment on that.

Q Did you also note stories in the paper about submarining of British freighter?

THE PRESIDENT: Yes. I will have to wait until I get back.

Q (Asked the President to comment on Mr. Welles).

THE PRESIDENT: Nothing can be said about Mr. Welles until we get back.

Q Welles stayed in his stateroom all the way over.

THE PRESIDENT: Off the record, he was probably trying to avoid Doris.

Q Mr. President, while you were away there was a story printed that you would ask the Congressional leaders, stating that you hoped Congress would be out by the fifteenth of May.

THE PRESIDENT: We hadn't talked about it at all.

Q There have been reports of a trip to the West Coast. You may go?

THE PRESIDENT: Yes. The only thing is that I promised San Francisco

I would go there last summer and they are opening again this year and I am going to try to fulfill that promise this summer.

Q What time does the fog begin to get bad in the Inside Passage to Alaska?

THE PRESIDENT: As I remember it they told us that it was all right from the fifteenth of May to the fifteenth of August.

Q Do you still hope to go up there?

THE PRESIDENT: I don't know. Haven't talked about it.

Q Will we make the Warm Springs trip?

THE PRESIDENT: I hope so. Last year, you know, we didn't go until around the first of April, for a week, and it was a lot better than previous years when we went in March. If I go it will be around the first of April, for a week.

Q I was going to ask a question about politics but I don't think I will.

THE PRESIDENT: I wouldn't. (Laughter) Felix, your paper doesn't want stories like that. It's an independent paper.

Q I will have to defer a little bit there.

The weight of the world is off the record, the famous conference room.

A lot of strong men in the Ivory Tower.

It's like this all the time -- think of our responsibility to humanity.

Six Democratic Senators are sponsoring a bill to restore the Farm Credit Administration.

THE PRESIDENT: I don't know what has happened on that. I think it still has an independent status.

Q They plan to restore it to take it away from the Department of Agriculture.

THE PRESIDENT: All the difference in the world between taking it away from the Department of Agriculture and giving it independent status, essentially, because it has an independent status.

I don't think there is anything else before Sunday. I can't tell what there will be. Probably will sign that bill (Export-Import Bill), if it comes, after we get there. Whatever will be there, ask him (Stephen Early) if there is anything that he has on his chest outside of this bill because there might be something that I don't know about. Run around to the White House. It would be safe.

Q Do you contemplate any March fourth statement?

THE PRESIDENT: No.

Q That will make Dave Lawrence mad.

THE PRESIDENT: Pass the tip to Dave that the first of April is good.

CONFIDENTIAL
Press Conference #628,
Executive Offices of the White House,
March 5, 1940, 4.09 P.M.

THE PRESIDENT: Well, how goes fifty fathoms today?

Q Very well.

Q How many fish did you catch?

THE PRESIDENT: Damned few, too few even to count.

Q (Referring to the Pensacola newspaper which the President had in front of him) Local pride coming to the fore in Pensacola?

THE PRESIDENT: Yes.

Q They wanted you to come in on the cruiser instead of the destroyer?

THE PRESIDENT: Yes. Well, who wrote that story?

Q It is an editorial.

THE PRESIDENT: It is an A.P. story, by gosh. You saw it, didn't you?

Q What is it about?

THE PRESIDENT: A certain gentleman representing the Associated Press cast "asparagus" on the depth of water in Pensacola Harbor by saying it was too shallow for us to get up to the dock. The Pensacola paper takes the Associated Press to task.

Q And the U.P. recoups.

Q The A.P. ought to know what deep water is.

THE PRESIDENT: As a matter of fact, the story was all right. They couldn't get up to the dock, which was perfectly true. It was the fault of the Navy and not Pensacola Harbor. That is a beautiful harbor.

MR. DONALDSON: All in.

THE PRESIDENT: I think probably I gave all the news there was to the

gentlemen who accompanied me on the trip. I meant to bring with me a copy of Edward Lear's book of nonsense verses to read it to you all today, about the owl and the pussycat and the Jumblies, but I forgot it -- I'll have it Friday -- all about the Cheruble Isles and the other places we visited and had a very nice cruise. We had a few narrow escapes.

Q Submarine? (Laughter)

Q Did you go to the Isle of Lonely Women? (Laughter)

THE PRESIDENT: No. Ask the accompanying Press; it is all right. Thank God, they all got back safely.

Q Mr. President, the House Appropriations Committee seems to be against further appropriations for the Antarctic Expedition. Do you care to comment on that? Their view seems to be that they did not understand that it was to be a continuing expedition?

THE PRESIDENT: Well, I thought it was going to be and I thought everybody knew it was going to be. There was never any mystery about it. We certainly all talked about it here at the time.

Q Mr. President --

THE PRESIDENT: (interposing) Of course it would save an awful lot of money by making it a continuing expedition, even if it is only for three or four years, than if you send down an occasional separate expedition that stays only for one winter.

Q Mr. President, what is your preference between Senator Guffey and Walter A. Jones in the Pennsylvania Primary? (Laughter)

THE PRESIDENT: I told the boys on Saturday last that the following Tuesday, which is today, I would have so recently returned that I would not know anything. Now it is your turn (indicating the

reporter whose question he had interrupted).

Q Mr. President, your name has been entered in the Pennsylvania Presidential Primary and will be on the ballot unless withdrawn in a certain period, I think ten days. Do you intend to let it remain?

THE PRESIDENT: I guess probably what I told the Press on Saturday still holds. I am just back and don't know nothing. (Laughter)

Q Would it be a presumption to recall your saying that you had canvassed the Pennsylvania situation from A to Z with Jack Kelly and had not arrived at any conclusion? It seems everybody that has filed has come into the race and we just wondered if you had any views on it?

THE PRESIDENT: The same thing. I have not heard anything the last two days. I am awfully sorry that these very, very delightful series -- you can keep up with the series -- but literally it is true, I am back so recently I do not know what has happened.

Q Mr. President, have you had a chance yet to read your biographer? (Laughter)

THE PRESIDENT: Who did that to me?

Q Ernest Lindley had a very interesting question and answer column yesterday on the front page of the Post (The Washington Post) and I thought maybe you had seen that and could give us something?

THE PRESIDENT: I have not seen that. The only thing I heard about that was that I was talking, I think with Senator Byrnes, on the telephone and he asked me about it and advised me to read it because everybody was kidding Cotton Ed Smith for having been the Senator that told the story to Lindley. (Laughter)

Q They shifted it to Doughton today, I understand?

THE PRESIDENT: What?

Q Shifted it to Doughton today.

Q Did you discuss that situation with Mr. Smith? (Laughter)

THE PRESIDENT: I would have to follow the Senate Investigating Committee on that.

Q Mr. President, I asked Mr. Doughton if he was the man and he said, "I have never said anything to anybody that would make me responsible for anything in that story." And I said, "Is it true or not?" And then he repeated that he was not responsible for Mr. Lindley's story.

Now, seriously -- (interrupted by laughter) -- did you talk to Bob Doughton about these matters of presidency, et cetera?

THE PRESIDENT: I don't believe so; I don't remember anything.

Q He (Representative Doughton) seems to be all upset about it.

THE PRESIDENT: I just talked to Jimmy Byrnes on the telephone.

Q But Earl's (referring to Mr. Godwin) idea, is the story true or not?

THE PRESIDENT: I don't know because I have not read it. Steve (Mr. Early) told me that he was mentioning that we still believed in freedom of the press and then I did read Harlan Miller yesterday morning where he quoted Thomas Jefferson on his four points, on the four things that the press could print: news (truths), possibilities, probabilities and lies (laughter), so I am just quoting Harlan Miller now; it is all right, it is good.

Q In which category does this story fall? (Laughter)

Q Have you in mind sending an ambassador to Berlin soon?

THE PRESIDENT: I do not know anything about it. I have not thought

about it.

Q Have you had any word that they were to send Dieckhoff (former Ambassador from Germany) back to this country?

THE PRESIDENT: I have not heard a word.

Q Can you tell us anything about your monetary conference of yesterday?

THE PRESIDENT: Only that we discussed the advisability at this time of refunding all of the notes and bonds that come due in June and it was decided to refund the notes and not the bonds at this time. That is slightly more than half of the total.

Q Mr. President, could you tell us why that refunding operation was made the subject of a special conference?

THE PRESIDENT: Nothing, except that we have them right along. Every time there is a bond issue comes up, a refunding issue, we do the same thing. Nothing novel about it.

Q Can you tell us why you postponed the bonds?

THE PRESIDENT: Because it was thought to be the best thing to do.

Q Can you tell us why the refunding will be put into another note issue instead of a bond issue?

THE PRESIDENT: I suppose because it is the best thing to do. Everybody recommended it.

Q Last summer you asked Senator Donahey to run for reelection out there. On Sunday he said he was going to retire. Any thought of asking him to reconsider or any thought --

THE PRESIDENT: (interposing) No, I have not had a chance to see him. I expect to see him in the next week or ten days. I hope he will run for reelection or for Governor because he is a very valuable

public servant.

Q What is the situation on the St. Lawrence Waterway?

THE PRESIDENT: I have not heard a peep; I do not know.

Q Do you have any comment on the proposed amendment to the Hatch Act?

THE PRESIDENT: Well, I cannot very well comment because I understand that there are various bills up there and a series of amendments to them but it has always seemed to me that if you are going to apply the Hatch Act to one type of Federal employee who is paid his whole salary out of Federal funds, that the same line of argument ought to apply to people who are paid part salary out of Federal funds. I think that is about as far as I can go.

Q The local editors are worried about a couple of judgeships in the District of Columbia?

THE PRESIDENT: I have not had a chance to talk to Bob Jackson because I think he is sick abed with the flu.

Q Will you tell us about your conference with Goss of the Farm Credit Administration today?

THE PRESIDENT: We took up a number of very, very complex problems that I wanted some enlightenment on and still do not entirely understand, such as the question of normal valuations on farms. It is a terribly intricate thing and I would be afraid to go into it because I do not know enough about it.

Q Has he resigned yet?

THE PRESIDENT: No.

Q Can you tell us now when Welles (Under Secretary Sumner Welles) will be back (from Europe)?

THE PRESIDENT: I have no idea.

Q Do you expect him, Goss, to resign?

THE PRESIDENT: I do not know. The Secretary of Agriculture and he have talked that over and it is possible.

Q After your explanation to us on the train, there was a published report that you had received direct assurances from Costa Rica, Colombia and Panama whereby we could use their landing fields whenever we wanted to.

THE PRESIDENT: That is a completely faked story. In fact, I did read <u>that</u> story (laughter) because it was something we had been talking about and doing. I did not see anybody from Colombia; I did not see anybody from Costa Rica and, as I made it perfectly clear on the train, no agreements are necessary, and certainly acquisition of additional territory is not only unnecessary but would be a silly thing to do. I see that legislation has been introduced to that effect.

Q Mr. President, there has been considerable criticism in Congress regarding some of the questions in the 1940 census. Do you have any comment to make on that issue?

THE PRESIDENT: No, I don't think so. I have been wondering just a little bit as to whether on the issues that have been raised anybody in this room really has anything in particular they want to hide from the United States Government. I am not talking about their neighbors, I am talking about the Government and the use of that information for statistical purposes. I do not think I have anything to hide and I do not think any of you have.

On the question, for example -- I believe there is a question, "Have you ever been divorced?" Well, perhaps I would not want my

neighbors to know that under certain circumstances but I would not mind telling the Federal Census taker. The Federal Government's interest is not the least bit whether you have been divorced as an individual. We would like to know, for perfectly obvious reasons, the trend of -- the curve of marriage and divorce in the United States. It is a rather important thing for the country to know. Nobody gives a rap about who the individuals are and, of course, all census information is confidential information. The same thing applies to income (tax) returns.

Q Is that divorce question a new question or has it been in the census?

THE PRESIDENT: Oh, the whole thing, of course, is an obviously political move and nothing else, literally. Everybody recognizes that. Everybody here who is accredited to the Congress knows that that is the sole motive.

Q Could you be quoted on that?

THE PRESIDENT: Yes.

Q Mr. President, you said you did not have anything to hide and while you were away (laughter) Berryman had a cartoon of you on the front porch (of the White House) with the census taker and he was asking you if you had a mortgage on this place. (Laughter)

THE PRESIDENT: Pretty cute.

Q Do you suppose that census taker will divulge what you said as an answer?

THE PRESIDENT: I might tell him if he was a genuine census taker, just to test out Government secrecy. (Laughter)

Q Mr. President, can you tell how many bathtubs are in the White House?

THE PRESIDENT: What?

Q Bathtubs?

THE PRESIDENT: I suppose it is down in the record somewhere.

Q Mr. President, the War Department announced the sale of ninety guns from surplus stocks to Brazil. Does that have your particular approval or do you care to comment?

THE PRESIDENT: Oh, that has been in train ever since the Chief of Staff went down there and we had a return visit from the Brazilian Chief of Staff. Brazil wanted, felt that they were unduly weak in certain heavy artillery and these guns were old British model guns that have got to be reconditioned and they do not fit in with any of the rest of our own Army equipment. They have been working on it now -- I think it was pretty nearly a year ago that the Brazilian Chief of Staff was here, something like that. Nothing out of the ordinary.

MR. GODWIN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #629,
Executive Offices of the White House,
March 8, 1940, 10.50 A.M.

Q Good morning, Mr. President.

THE PRESIDENT: Good morning.

Q Mr. Young (Mr. Russell Young) telephoned from Miami last night. He said he was coming up.

THE PRESIDENT: I wish he would stay down until the weather gets better. You are late, Mr. Godwin.

Q (Mr. Godwin) I was arranging matters for the dinner at which you are our guest.

THE PRESIDENT: You kept the Press Conference waiting. (Laughter) (Due to conferences at the White House, the President had held up the Press Conference for fifteen minutes.)

Q (Mr. Godwin) That is right. I led with my chin.

THE PRESIDENT: I did not hear you this morning. What did you get off this morning?

Q (Mr. Godwin) Just a general howl about taxes. Also Howard Smith's (Representative Howard Smith) inability -- he stepped on his (own) foot.

THE PRESIDENT: Did I hear the door close?

MR. DONALDSON: All in.

THE PRESIDENT: The only thing I know is that I can see the top of Mark Sullivan's head for the first time in years. (Now) he ducked and I cannot see it any more so go ahead.

Q (Mr. Godwin) Comes up with the vernal equinox.

THE PRESIDENT: Yes. (Laughter)

Q (Mr. Sullivan) I think it won't be long now, Mr. President.

THE PRESIDENT: I like Earl's adjective, "vernal"; it is all right.

Means awfully green, doesn't it? (Laughter)

I do not think I have got a thing this morning.

Q Mr. President, you talked with Chairman Smith of that special House Committee?

THE PRESIDENT: Yes, and there is no story in it because I merely wanted to find out what happened in my absence and what they were going to do.

Q Did you discuss his amendments?

THE PRESIDENT: No.

Q Do you know anything about them?

THE PRESIDENT: No.

Q Is Sumner Welles taking any part in these Russo-Finnish negotiations?

THE PRESIDENT: There is nothing to be said on that at all, one way or the other.

Q Do you recall speaking to two Georgia Congressmen, Mr. Ramspeck and Mr. Camp, who, I think, brought you the name of Lawrence Camp for a District job?

THE PRESIDENT: Yes.

Q Anything you want to say on that?

THE PRESIDENT: I do not think so. I think they told you about it. It was signed by, I think, all the Congressmen and Dick Russell (Senator Russell).

Q Yes, I just wondered if you had --

THE PRESIDENT: (interposing) No, I had not thought of it.

Q In connection with that Welles question, London reports said today

the United States might be asked to mediate in that Russo-Finnish war. Is there anything on that?

THE PRESIDENT: The only thing I can say is that it is the kind of thing, of course, that we cannot discuss except for your own information as there has been no such request made on pending things of that kind. If there are negotiations going on, it is the kind of thing which it is better not to discuss.

Q Mr. President, you received this new Minister from Australia; you had a chat this week with him. Did he say anything about establishing relations with Australia, general --

THE PRESIDENT: (interposing) Only that it is a continuation of a discussion that has been going on for the last six or seven years and which I took up with the Australian Prime Minister some years ago and several other Australian Ministers who have been coming through Washington, and both Australia has wanted this to happen and we wanted it to happen and/it has happened now and we are very glad.

Q Can you tell us anything about your discussion with the new Minister about problems in the Pacific?

THE PRESIDENT: We did not discuss any problems; mostly reminiscences.

(There was a brief lull.)

Gosh, this silence -- you could cut it with a knife.

MR. GODWIN: Thank you, sir.

THE PRESIDENT: I really haven't any news at all.

Q Can you comment --

THE PRESIDENT: (interposing) Somebody in the back row, go ahead.

Q -- on Senator Wheeler's visit?

THE PRESIDENT: Oh, we talked about -- no reason I should not tell you about that -- we talked about the transportation bill which is in conference, and I told him I hoped very much that the conferees would agree and put through a bill at this session.

Q Mr. President, can you tell us anything about the regulation of water carriers?

THE PRESIDENT: If you go back to a speech I made away back in -- I don't know what it was -- 1932, in Utah, I think it was, Salt Lake City, you will find I recommended at that time that there be a consolidation of Government regulation of all transportation. I think this bill, as I hope it will come out from the conference committee, is a step toward that end.

Q Mr. President, did you discuss this wire tapping investigation with Senator Wheeler?

THE PRESIDENT: What is that?

Q This Committee yesterday recommended a resolution which would investigate a lot of snooping that has been going on.

THE PRESIDENT: I never heard of it.

Q Did he say what was holding up his conferees?

THE PRESIDENT: Yes, Pete (Mr. Brandt), he spoke about a letter that had been written while I was away by the Secretary of War, the Secretary of Agriculture and the Chairman of the Maritime Commission, about which I had not heard until he brought it in with him. It is in yesterday morning's Record (The Congressional Record) and I had not even heard of it. I told him that I thought those points of view related primarily to the individual -- to the authority of individual departments but that the greater good for the greater

number should control rather than any immediate interests of the War Department or the Agricultural Department or the Maritime Commission.

Q Did he agree with that?

THE PRESIDENT: Yes.

Q Mr. President, in debating an amendment to the Hatch Act yesterday, Senator Chavez said that although he realized the fact that you had signed the Hatch Act, he felt he could state definitely that your heart was not in it?

THE PRESIDENT: I feel reasonably certain that Senator Chavez's heart was not in it and mine was. (Laughter)

MR. GODWIN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #630,
Executive Offices of the White House,
March 19, 1940, 4.03 P.M.

THE PRESIDENT: Well, Russ (Mr. Russell Young), it is good to see you back. Makes me think of old Charles Francis Young. He used to be my old boss in Tammany Hall.

Q (Mr. Young) I don't know him. I don't know anything about bosses at all.

Q He never had any.

THE PRESIDENT: Would you rather be called Francis A. Young or Ed Kelly Young? It is the same thing.

Q (Mr. Belair, who had just been elected president of the White House Correspondents' Association) You notice we keep our platform pledges. (At the White House Correspondents' Dinner the previous Saturday evening, Mr. Belair had introduced as a "plank" in his platform a pledge that White House Press Conferences would be held on time.)

THE PRESIDENT: Yes. (Turning to Mr. Young) It is good to see you back; how are you feeling?

Q How are you feeling -- that is important. (The President had been confined to the White House with a cold.)

THE PRESIDENT: Rotten. I ache still. It's the old flu.

Q Still hangs on?

THE PRESIDENT: Yes. I thought I would come over here and try it instead of sitting upstairs in the sitting room and bedroom.

Q Can't be any worse.

Q Do you think you will go away?

THE PRESIDENT: I do not know. I am going to Warm Springs as soon as I can.

Q Do you think you will go to Hyde Park for Easter?

THE PRESIDENT: Oh, my, no; I never had any thought of that.

Q I will ask you that question for the benefit of all of us.

MR. DONALDSON: All in.

THE PRESIDENT: Well, with the boss (meaning Mr. Russell Young) and the ex-president (of the White House Correspondents' Association, meaning Mr. Godwin) and the new president (meaning Mr. Felix Belair) standing right here in the front row, I can say that on Saturday night I was very glad I went to the party. It was all right; a good party.

Q We were very glad that you could come. We really thought it was a swell piece of work --

THE PRESIDENT: (interposing) Grand.

Q -- for you to get there at all. (The President had been ill.)

THE PRESIDENT: The only thing I want to do is borrow that film, if I can, to show it to the family. (Laughter) They all want to see it in the White House.

Q We have had three requests already.

Q You can get it; Bob Denton has it.

Q (Mr. Young) The president (Mr. Belair) will attend to that, sir. (Laughter)

Q The boss talks.

Q (Mr. Belair) Who said so?

Q The boss.

Q Do you have any plans to go to Hyde Park over Easter?

THE PRESIDENT: No; I will stay right here.

Q How about Warm Springs?

THE PRESIDENT: I hope to get down to Warm Springs soon; I cannot tell when.

Q Senator Wagner last week in the House Labor Committee decided in favor of the addition of two men to the Labor Board. May I ask whether you are in favor of that idea?

THE PRESIDENT: I cannot because it is pending legislation and it changes from day to day.

Q In the light of recent discussions on the subject, would you care to clarify for us the policy of your Administration toward releasing airplanes and armaments for foreign shipment?

THE PRESIDENT: Well, the trouble is this, that it is awfully hard to lay down a hard and fast rule because each case ought properly to be considered on the facts of the immediate case and in careless writing it is awfully easy if you have one general rule to fail to differentiate between two different cases with different facts. However, I will have a go at it by way of explanation.

Speaking as Commander-in-Chief of the Army and Navy which, under the Constitution, entails a certain amount of responsibility on my part, a year ago when things seemed to be coming to a head in Europe -- I mean seemed to the Administration; some other people didn't agree -- we began to look around to see what our national defense problem was. We looked at it, of course, primarily from our own point of view but also in the light of experiences in other nations. At that time it seemed to us -- this was a full year ago -- at that time it seemed pretty clear

to us that one of the essentials of national defense, more and more so in the light of modern experience, is productive capacity of airplanes. We had seen instances of nations having a pretty good air force with very little or no productive capacity for new planes. We had seen other nations with practically no airplanes -- I mean relatively -- but with potentiality of a large productive capacity.

And so, looking at it from strictly our own point of view, beginning at that time we began to ask ourselves two questions: first, how many planes do we need in peacetime? How many pilots do we need in peacetime? As a result we felt that we were too low and we got through Congress appropriations for very definite increases to the Army, Navy and Marine Corps air services and we began putting in orders.

But, at the same time, we looked at it from the point of view of production and we found that American production of military planes, military and naval planes, was an even more serious problem than our shortage of actual planes in full commission. The increased Army and Navy orders of last year, last fall, did help slightly, but very slightly, to increase our plant capacity.

The beginning of the war in Europe showed us that we could build up our plant capacity if we could sell -- the Nation could sell -- private manufacturers -- a large additional number of planes to other nations, not only belligerent nations but other nations, neutral nations, and the orders began coming in.

So, looking at it from a purely selfish point of view, we did everything we could to develop American productive capacity,

and we have been doing it right along with the net result that inside of a year, approximately, we have multiplied American capacity about three times. It is an amazing story. We have about three times the capacity of engines and engines really are the neck of the bottle -- it is harder to increase the engine capacity than it is your fusilage capacity. All that is, from the point of view of the Commander-in-Chief, the most significant thing that has happened in the past year from the point of view of improving national defense by building up our productive capacity of planes.

From that as a statement of policy, you come to the obvious next question: How could we have done it unless we had been able to sell planes? Well, the answer is that we could not. What was the criterion on selling planes? Sell them a plane that they would buy. There is your answer.

Q Mr. President --

THE PRESIDENT: (interposing) Now, when you come down to all this bunk about secrets: The P-40 -- I believe there is some talk about it at the present time -- I saw one down here at the Army Field -- I think some of you people went down with me -- in November, 1938. I think some of you saw it there at the time. It was almost in the stage of having its drawings, etc., perfected and being put into the point of getting orders for it -- a question of a few months longer. But we actually saw a P-40 down there that had been flown. That was nearly a year and a half ago. There is no secret about the P-40. As I remarked, bunk!

Now, what is secret? There are three or four devices -- a plane is not a device -- there are three or four devices which we have in the armed forces of the United States which we think other nations have not got and they are absolutely secret, to be given to nobody and they will be kept secret as long as it is possible for us to keep them secret. You ask what they are and I will tell you frankly it is none of your business and don't go looking for them for that is not a part of good Americanism.

Q Mr. President, I think nearly everyone is in agreement that the P-40 is safe to release now but there are two others of the same type that are later models. Are you in favor of selling our very latest models?

THE PRESIDENT: Depends on what you mean by the "very latest model."

Q I mean like the Aircobra; that is the Bell ship?

THE PRESIDENT: Anything confidential about it?

Q I don't know.

THE PRESIDENT: Neither do I. There was a beautiful engine the other day that everybody called the latest type of engine. It has not been put into actual production yet. One of the latest issues of an aeronautical magazine has complete drawings of it. Does that help you any?

Q It does not answer my question.

THE PRESIDENT: In other words, I cannot answer your question because I do not know which particular type it is, whether it is public property or not, whether it has been placed on order by us or not, whether on a small scale or a large scale. I would have to have all the facts.

Q Do you follow the recommendations of General Arnold on such matters? General Arnold's recommendations?

THE PRESIDENT: I haven't read it. Is that before the Committee?

Q I mean where it is a matter of releasing a plane for export?

(Question again inaudible)

Q He means as a matter of policy do you follow his recommendations or do you fix your policy?

THE PRESIDENT: I don't know; I never received his recommendation.

Q Do you seek his advice?

THE PRESIDENT: I get those things through coordinating boards -- the Army and Navy joint boards.

Q Mr. President, where you said that this trebling of the capacity was the most amazing and significant thing, do you care to mention any figures per month or per year or not?

THE PRESIDENT: Didn't Steve (Mr. Early) give those out last week?

Q Yes, sir.

THE PRESIDENT: As I remember it, roughly from seven -- are these figures right? -- from 7,000 to 21,000 or 22,000.

Q Senator Barkley gave all those figures in the Senate a week ago.

THE PRESIDENT: Yes, the same figures.

Q Do you consider our own national defense policies, our national defense aims are involved in selling to one or the other of the particular sides in the current controversy in Europe?

THE PRESIDENT: Consider what?

Q As involving our own national defense aims, in other words?

THE PRESIDENT: I don't quite understand?

Q Do you consider it necessary or advisable to sell to one or the

other groups in Europe instead of our own national defense?

THE PRESIDENT: I think we are selling to everybody that comes and gets them at the present time. Isn't that the rule?

Q Mr. President, at Toronto today Mr. Cromwell, our Minister to Canada, made a speech in which he criticizes American isolationists and warns that Germany frankly and openly seeks to destroy the institutions, the social and economic order upon which the United States Government is founded. Is that the official viewpoint of this Government?

THE PRESIDENT: I am afraid I could not comment on a particular story.

Q Mr. John B. Kelly is the gentleman up in Philadelphia who was down to see you six weeks ago when you discussed the Pennsylvania political situation with him?

THE PRESIDENT: Yes.

Q Mr. Kelly, speaking before the Democratic Women's Luncheon Club in Philadelphia, quoted you as saying to him --

THE PRESIDENT: (interposing) You know I could not comment on a story of that kind, obviously. I would have to find out first what Mr. Kelly said he said. You know I never comment on quoted stories of that kind.

Q Mr. President, have you heard anything from Rome since Steve (Mr. Early) gave out --

THE PRESIDENT: (interposing) Not a single thing, Pete (Mr. Brandt). The only way I can illustrate it was that somebody said that in -- I think it was a five-column lead in one of the most respectable newspapers in this country that, when you went down and read all the stories under that head, it came down to this: that two heads

of Government had taken trains at distant places and had met on top of a Pass and it was snowing, and they had sat in a railroad car for a couple of hours and when they came out they shook hands, each went to his own train and they went home. I think I have told that story in about thirty-five words. Well, that is about all there was in the whole story. It is all that anybody knows; it is all that we know here; it is all that anybody knows in London or Paris or Rome or Berlin, except the people who took part in it.

Q The Vatican seemed to have an idea.

THE PRESIDENT: Now, well, I was interested in that. Who do you suppose it was in the Vatican?

Q The correspondents, I understand, have a tipster.

THE PRESIDENT: Oh, that's the fellow. The courtyard in front of St. Peter's, there is a fellow there all the time on his hands and knees with a pail and a scrubbing brush. (Laughter) That's the fellow! I know him.

Q They pay him a hundred dollars a month.

THE PRESIDENT: In other words, it wasn't the Vatican?

Q It wasn't the Vatican.

THE PRESIDENT: Of course not.

Q That is a long way to go for a handshake. (Laughter)

THE PRESIDENT: It was the boy who was scrubbing St. Peter's pavement.

Q Possibly.

Have you had any more encouraging advices from Charlottesville about Franklin's wife and her fall?

THE PRESIDENT: It is a slight fracture of the hip. It means three or

or four weeks in a cast.

Q Getting back to the airplane question once again for a moment: Where you discriminated between devices and planes, that remark would seem to indicate that you do not think there is much likelihood of any secrets being given away as to construction or design of planes. Is that correct?

THE PRESIDENT: Yes -- something they couldn't get just as easily by sending somebody over to look at the thing. If we did not sell a type of plane as late as the P-40, because I don't know if we have cleared anything else -- well, what would you do if you were a Britisher? You would send somebody down to take pictures of it and look it all over, which anybody can do. There have been pictures in almost every magazine in the United States -- design and everything else. A lot of aeronautical magazines have had cross sections of the mechanical parts. What would you do if you were a Britisher with that information? You would go and build them in Canada, wouldn't you? Well, I would rather have them built here.

Q That illustration you used of a cross section in a mechanical magazine, is that a later type than the P-40?

THE PRESIDENT: The one I saw was the P-40.

Q Could you give us your views on the Hatch Amendment in view of the changes made in the Senate?

THE PRESIDENT: No. I gave you my comment a couple of weeks ago.

Q Can you tell us anything about your conference with Senator Donahey about a week and a half ago?

THE PRESIDENT: I am trying to think -- that was quite a while ago.

About all there was to it was that Vic (Senator Donahey) said he really, honestly did not want to run for anything this fall, as he had remarked a year before and a year before that, and still was of the same mind.

Q Did you hear Farley's speech Saturday night on tolerance?

THE PRESIDENT: I read it and thought it was a perfectly grand thing -- fine. And, by the way, that brings up rather an interesting subject that I am in a sort of quandary about and I think that most of you will sort of sympathize with me: When did we have the last Press Conference -- a week ago Friday? Well, somebody at that time asked me about an article by Ernest Lindley; in other words, one of his columns. I said I had not read it, which was perfectly true. I did read it afterwards.

Now, here is the predicament and I would like to have a little help and advice as to what a fellow does about it. You know that every day there are all kinds of columns published in the morning papers and afternoon papers, and the best that can be said is that they run the gamut from the so-called respectable columns, which are, oh, about twenty- per cent wrong, something like that -- I mean, contain a twenty per cent average of misstatements, down to the other column, which we need not characterize, that runs eighty per cent of misstatements.

Now, the question is this: I am asked a question in a Press Conference, "Is such and such a thing true in one of these columns?" It is either one of the respectable columns or one of the other variety.

If I once start, you know, trying to, I might say interpret-

ing or answering questions about things written in columns, there is no end. I could not do it. We would have to have a Press Conference every day and, well, it would be just one continual row between me and the columnists. So, I think for seven years, I have always declined to comment on statements that were made in columns on the ground that they were not straight news.

Now, of course, that brings up the question, should I differentiate, should I decline to answer questions about things that are written by the less reputable people and answer questions about columns by people like Ernest (Mr. Lindley) and good old Mark Sullivan, et cetera and so on, the four or five so-called respectable columnists? (Laughter)

Now, of course, that creates a class and it is very difficult, so I have to apply the rule to the so-called respectable columnists.

Of course, in this case, obviously, those of you who know me -- that story of Ernest Lindley's was made completely out of whole cloth -- obviously. But that is not the point. Of course I never said such a thing about Jim Farley, and the rest of the story was equally false. The point is, though, that after I had said that day that I had not read it, which is perfectly true, and the next Press Conference we did not hold, I stayed over at the White House, and the next I did not hold, I was thereupon accused by some of the columnists, do you see? deliberately accused of having, because I had not answered it, led people to believe that I had given out that interview to that Senator or Congressman or whoever it was. You see what an awful position

that places me in? There was a perfectly simple rule that I do not comment on columnists' stories but it does not seem to make it easy for me when my living up to the rule is used against me.

Now, the question is, shall we maintain the rule or not? It seems to me the only practicable thing is to maintain the rule and not to characterize as being true or untrue stories of that kind that are written by special writers.

Q Mr. President, this article was unusual in that it quoted you direct -- this Lindley article.

THE PRESIDENT: As having told something to this undisclosed southern statesman?

Q Yes, sir.

THE PRESIDENT: There you are! Heavens, half the columnists in that type of story use direct quotes from me to an undisclosed statesman, southern or otherwise. (Laughter) It happens all the time.

Q How about this daily Press Conference? (Laughter)

THE PRESIDENT: Well, I do not think it would be bad at all because Kannee would be taking it down and we would get out a real volume after a while. I wouldn't mind.

Q When do they start? (Laughter)

Q May I ask if you are saying that the entire Lindley story was made out of whole cloth and that you did not mention --

THE PRESIDENT: The whole story, because I never talked along that line, in any way, to any distinguished statesman from any point of the compass.

Q Can you tell us if you have discussed the question of the Danubian

Federation with Archduke Otto when he visited you?

THE PRESIDENT: No, no; did not talk politics at all.

What was it over there (indicating another gentleman of the Press who had started to ask a question simultaneously with the last)?

Q Mr. President, is any consideration being given to returning an ambassador to Berlin?

THE PRESIDENT: No.

Q In that connection, sir, a story would put it rather definitely that you have in mind the name of Clarence E. Pickett to be Ambassador to Germany?

THE PRESIDENT: I have not heard of it.

MR. GODWIN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #631,
Executive Offices of the White House,
March 29, 1940, 4.05 P.M.

(Mr. Harry Hopkins, who had been ill, was present at this Press Conference.)

Q (Mr. Godwin) Mr. President, "Boss" Young has asked me to take this seat, with your approval.

THE PRESIDENT: All right.

Q (Mr. Young) He is aging.

THE PRESIDENT: Yes, his feet are playing out on him.

Q I'll say.

Q Looks like the work is stacking up.

THE PRESIDENT: No, it is going very well.

Q All that for us, Mr. President?

THE PRESIDENT: I have got quite a lot for you. Loaded for bear.

MR. DONALDSON: All in.

THE PRESIDENT: In about three minutes there will be presented to the Senate a number of nominations, Foreign Service officers, unclassified vice-consuls of career and secretaries in the Diplomatic Service, also a new Assistant to the Attorney General and also the name of a new Commissioner of the District of Columbia.

I have had a good deal of difficulty in finding somebody to take George Allen's place because I had set my heart on finding somebody in the District who had certain qualifications: first, preferably somebody who had been born in the District; secondly, somebody that had very distinctly the atmosphere of scholarship and secondly (thirdly), somebody who was somewhat skilled in

politics. After a good deal of search I found just the man for the place, a man who was the first white child born in the District (laughter); secondly, a man who was the president of a great college, a great institution of learning, and thirdly, a skilled politician -- Mr. John Russell Young. (Prolonged applause - cheers)

So that makes it unanimous. Now you have all got a job. We all know it is going to be terribly difficult in the Senate to get him confirmed so every one of you is appointed a committee of one to see that we get him past the Senate of the United States. (Laughter)

Q (Miss Craig) That is lobbying. (Laughter)

Q Mr. President, we are all volunteers.

THE PRESIDENT: Well, I am very, very happy. It is richly deserved, Russ (Mr. Young), and some day you have got to make a speech in reply -- you can do it now! (Laughter)

Q (Mr. Young) Mr. President, I wish you had given me a little time. A lot of my scholars are here and I am afraid I won't show up to good advantage.

It came a little sudden but I will say, sir, that I hope this has no political significance to it (laughter) and I hope I am not held down to any particular terms. Anyhow, I will do the best I can, sir.

THE PRESIDENT: You know, I told him, I told Russ this morning that he was just my age and I thought he ought to begin public life before it is too late, because, of course, he will be fairly old when the question of a third term comes up. (Laughter)

Q Mr. President, I would like to ask if the new Commissioner will hold press conferences?

Q (Mr. Young) I never heard of them.

THE PRESIDENT: Twice a day.

Q (Mr. Young) Never heard of them.

Q (Mr. Godwin) How does he stand on suffrage? (Laughter)

THE PRESIDENT: Well, we have not worked that out yet.

Q And is he dominated by any particular newspaper, do you suppose?

THE PRESIDENT: Oh, no. Heavens!

Q He has never been in a newspaper office.

THE PRESIDENT: He has been run by the White House Correspondents' Association all these years, you know. (Laughter)

Q (Mr. Godwin) Well, I will tell you, Mr. President, my first feeling is that that is one good way of getting rid of a boss. (Laughter)

Q (Mr. Young) Let's talk about something else.

Q (Mr. Godwin) It is all right; fine stuff.

THE PRESIDENT: All right; it's a grand thing.

The other is a statement which Steve (Mr. Early) will give you copies of. I might as well read it to you -- it is not very long: (Reading)

"Under Secretary of State Welles has concluded the mission upon which he was sent to Europe and has reported to me and to the Secretary of State.

"As I said when the announcement of Mr. Welles' mission was made, Mr. Welles was sent to Europe in order to obtain information with regard to existing conditions. He was neither authorized to make, nor has he made, any commitments involving the Government of the United States, nor was he empowered to offer, and he has not offered, any proposals in the name of this Government. He has not received, nor has he brought back to me, any peace proposals from any source.

"The information which he has received from the heads

of the governments which he has visited will be of the greatest value to this Government in the general conduct of its foreign relations. As was announced at the time of his departure from the United States, the information communicated to him by the Italian, German, French, and British Governments will be regarded as entirely confidential by this Government. It relates to the views and policies of the European governments mentioned.

"I am glad to say that Mr. Welles' mission has likewise resulted, through personal contacts and through the conversations which he held, in a clarification of the relations between the United States and the countries which he visited and will, I believe, assist in certain instances in the development of better understanding and more friendly relations.

"Finally, even though there may be scant immediate prospect for the establishment of any just, stable and lasting peace in Europe, the information made available to this Government as a result of Mr. Welles' mission will undoubtedly be of the greatest value when the time comes for the establishment of such a peace."

(The President had accentuated the underscored words.)

Just outside of this I suggest -- as Steve (Mr. Early) put it yesterday in his statement, in order to be helpful to all of you good people -- that you note these words, "even though there may be scant immediate prospect." It means just what it says. It means, "scant immediate prospect." It is not a prognostication for the future because the word "immediate" means "immediate" and not "future" and, of course, none of us can tell from day to day what developments take place or will take place in the European field. It means "scant immediate prospect" and nothing more. (Reading)

"To Mr. Welles go my thanks and full appreciation for carrying out this difficult mission with extraordinary tact and understanding, and in accordance with the best American diplomatic traditions."

I think that covers that all right. I am afraid there isn't any more news in it than what is in it.

Q Mr. President, has there come to your notice the press reports concerning the White Book issued by the German Government today?

THE PRESIDENT: Only a telephone message that there was something about it on the ticker, which I have not got and therefore cannot answer intelligently but, off the record, or perhaps for background, put it that way, I think everybody should take with a grain of salt any propaganda that is put out in Europe at the present time. I would make that two grains of salt -- anywhere.

Q You know then, about what --

THE PRESIDENT: (interposing) The general purport. In fact, make it three grains of salt.

MR. EARLY: Let that go on the record.

THE PRESIDENT: All right, you can use that.

Q Is the St. Lawrence Treaty about to be signed?

THE PRESIDENT: I don't know; I have not heard anything about it; I haven't had any report at all. Buffalo papers please copy.

Q Have you canvassed at any time the report that is around the Hill that it would be possible to go ahead with this on the basis of a Joint Resolution and appropriation by the Congress?

THE PRESIDENT: I have not heard that at all.

Q That is not under consideration?

THE PRESIDENT: I never heard of it at all.

Q Mr. President, there is a strong movement up in New England to get a district weather forecasting station. I wonder if you had any --

THE PRESIDENT: (interposing) I read about it in the paper and intended to ask the weather people about it and forgot to do it. Steve (Mr. Early), will you or Pa (General Watson) take it up? I would

like to have a report on it.

Q There was a report at the State Department that Mr. Bullitt was coming in to see you this afternoon. Was that correct?

THE PRESIDENT: Not that I know of.

Q Since Bullitt figured rather prominently in this White Paper by Germany, is there a probability that you will talk --

THE PRESIDENT: Not that I know of. He is going back next week and all I have is the expectation of seeing him for a few minutes before he goes. There is no appointment.

Q In the light of business conditions as they are now, do you think a billion dollars for relief will be enough for the next fiscal year?

THE PRESIDENT: I do not know yet.

Q What is Mr. Harrington likely to say to the Committee about that?

THE PRESIDENT: I think he is going up Wednesday of next week. Of course, as you know, on that relief situation it is terribly difficult to forecast employment and unemployment very, very far ahead and in previous years, as I remember it, we have generally sent up the best forecast we could make just as late as we possibly could. I think that in previous years it has been around the end of April when we have sent that up, and this year I don't suppose any final action will be taken until sometime in April. So I suppose we will, beginning next Wednesday and continuing up to the last minute, give the best figures we have got. There will be nothing final yet because it is all guesswork.

Q Before the Woodrum amendment was put in which required you to spread the appropriation over the entire fiscal year, as I

remember it, you used to take it in about two whacks.

THE PRESIDENT: Yes.

Q Any prospects of returning to that system?

THE PRESIDENT: I wouldn't say there was a prospect. The whole thing is completely open.

Q No definite recommendation will be made, then, by Colonel Harrington next Wednesday?

THE PRESIDENT: Only a tentative recommendation, again subject to change, so that we will get the last possible information to the Committee before they bring the bill out on the floor.

Q There have been reports that a free hand in handling this matter may be requested?

THE PRESIDENT: What?

Q A free hand, that it is not so much a matter of different figures but leeway to spend the money according to need.

THE PRESIDENT: Well, that was the same as what was said over here about changing the Woodrum amendment -- it comes to the same thing. As I say, there is nothing final yet.

Q Any basis for reports that they might ask for the elimination of the 18-month provision -- that you cannot hire a man until after --

THE PRESIDENT: (interposing) Not that I have heard of.

Q Will Mr. Harrington recommend the lifting of the Woodrum amendment?

THE PRESIDENT: I do not know; they are going to discuss it.

Q Mr. President, are you going to Warm Springs in the near future?

THE PRESIDENT: I don't know. There are a lot of things turning up now. The cold is very, very definitely better, the flu bug,

but I haven't made any final plans. I may go and I may not. We are on a 24-hour basis.

Q (Mr. Godwin) Thank you, Mr. President. I think we have got a bookful and I thank you, sir.

Q Can you tell us anything about your visit with Budget Director Smith and the reorganization plans?

THE PRESIDENT: No, except it is a continuing thing. I hope to have another Reorganization Plan within the next week or ten days.

Q Any decision been reached on the Forestry Service?

THE PRESIDENT: I cannot tell you anything about it. The thing has not been buttoned up.

Q Is it (referring to the Reorganization Plan) intra or inter?

THE PRESIDENT: Both.

Q Would you care to comment on the House action on the Labor Board -- the wages and hours?

THE PRESIDENT: No, it is still pending; they are not through yet.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #632,
Executive Offices of the White House,
April 2, 1940, 4.01 P.M.

THE PRESIDENT: I was just looking around. I think that when the new Dean (Mr. Godwin) is not here, I think you (Mr. Thomas Reynolds of the U.P.) take up more room than anybody in the front of the room so, when the Dean is not here, the new Dean, you take it.

Q (Mr. Godwin) I think he ought to take it anyway.

THE PRESIDENT: No, you and I are older men.

Q (Mr. Godwin) Speaking about old men, if you had been at J. Russell Young's party last night you would be twice as old.

THE PRESIDENT: Did he have one?

Q (Mr. Godwin) It is still going on.

THE PRESIDENT: I heard the Press started as soon as they left this room last Friday. (Laughter) It must have been a good party.

Felix (Mr. Belair), are you keeping them under control pretty well?

Q (Mr. Belair) Pretty well.

(At this point Mr. Early introduced Mr. John Henry as Mr. J. Russell Young's successor on the White House assignment.)

Q (Mr. Godwin) Russ (Mr. Young) has had to take up his residence over in Casey's to keep away from the job seekers.

THE PRESIDENT: That is awfully funny.

Q (Mr. Godwin) It is wonderful.

THE PRESIDENT: Somebody ought to write that up.

Q (Mr. Godwin) I think they will, in time, but they don't want to tell where Casey's is.

THE PRESIDENT: That is a good story.

MR. DONALDSON: All in.

THE PRESIDENT: I think the only news is the Reorganization Plan No. III which was sent up today. It is intradepartmental. I do not know if you have had a chance to read it or not. It relates to, first, the Treasury Department, which relates to consolidations of certain services there under the direction of a permanent fiscal Assistant Secretary, setting up a fiscal service. It brings together the Office of the Treasurer of the United States, the Office of Commissioner of Accounts and Deposits and the Public Debt Service, including their various subdivisions and certain other related functions. (Reading)

> "The net effect of these adjustments is to establish within the Fiscal Service the Office of Fiscal Assistant Secretary, the Office of the Treasurer of the United States, and a Bureau of Accounts under a Commissioner of Accounts, and a Bureau of Public Debt under the Commissioner of Public Debt."

The rest of it is all highly technical until you get down to the Federal Alcohol Administration and there it is proposed to put the Federal Alcohol Administration, to correlate it with the activities of the Bureau of Internal Revenue, particularly its Alcohol Tax Unit. There will be a good deal of saving of money in that.

Any questions on that?

Q Any amount of savings?

THE PRESIDENT: We have the totals at the end for all these things.

The Department of Interior transfers the Bureau of Fisheries and the Bureau of Biological Survey, or, rather, consolidates them

into a new Fish and Wildlife Service.

Q May I ask a question there, sir?

THE PRESIDENT: Yes.

Q This is a negative question: that is, the matter of the transfer of Forestry to Interior.

THE PRESIDENT: It is not here.

Q Have you anything you care to say about the fact that you did not do it?

THE PRESIDENT: There will be another Message, but do not get out on the end of a limb, sometime around the end of this week. These are all purely intradepartmental things.

Q Yes.

THE PRESIDENT: It puts these two things which, of course, tie in very closely together, under one bureau with two assistants, one in charge of fish and the other one in charge of little animals.

Q Anybody at the head of both?

THE PRESIDENT: One person at the head of both.

Q Have you made up your mind on whom?

THE PRESIDENT: Oh, no.

Then, in the Department of Agriculture, we are putting into effect what is almost in effect now through administrative channels. We are consolidating the Division of Marketing and Marketing Agreements of the Agricultural Adjustment Administration with the Federal Surplus Commodities Corporation, a new single agency to be known as the Surplus Marketing Administration. This facilitates the work of the department and there will be one person at the head of both.

In the Department of Labor we are abolishing certain offices, many of which have not been filled -- things called Commissioners of Immigration and District Commissioners of Immigration and Naturalization. I think, in the former, the (offices of the) commissioners have been vacant since 1933; I have never filled them.

Q That refers to local commissioners rather than Mr. Houghteling?

THE PRESIDENT: Oh, yes; nothing to do with him, just local commissioners.

(Reading)

> "The former have been vacant since 1933; the latter impose an unnecessary level of supervision above that of District Director of Immigration and Naturalization in certain of our ports and should be eliminated in the interests of economy and sound administration."

The Civil Aeronautics Authority: (This) Clarifies the relations of the Administrator of the Civil Aeronautics Authority and the five-member Board. (Reading)

> "The Administrator is made the Chief Administrative Officer of the Authority with respect to all functions other than those relating to economic regulation and certain other activities primarily of a rule-making and adjudicative character which are entrusted to the Board. This will eliminate the confusion of responsibilities existing under the Civil Aeronautics Act and provide a more clear-cut and effective plan of organization for the agency."

You know, you will remember when that bill was passed there were three different organizations in the Civil Aeronautics Authority -- there was a five-man Board and then there was the Administrator and then there was the Safety Board, (giving you) a language you could have taken almost any way. This is a clarification thing. (Reading)

> "Improvements and Savings: The principal

> advantage of the reorganizations proposed in this Plan will be increased effectiveness of operation of the agencies concerned. In addition to improved service, some economies may be expected. I estimate that immediate annual savings in administrative expense of approximately $150,000 will result. This comparatively small amount in no way measures the worth of the proposals. In fact, if they resulted in no administrative savings at all, I should still consider them worthwhile in view of the increased effectiveness of administration that will result."

Well, that is just about all there is. And then, with it, the legal language relating to approval of accounts and things like that. There isn't much of a story in that. It is just another move.

Q Mr. President, what do you think of Mr. John L. Lewis' proposal that he is going to start a third term unless the Democrats name a --

Q (interposing) A third party.

Q Third party, unless the Democrats name a Liberal -- (laughter)

THE PRESIDENT: I do not know why I should comment on that (any more) than nearly all of that type of news which I read in the newspapers these days.

Q Can you tell us about your conference with Admiral Land yesterday with relation to the laid-up fleet?

THE PRESIDENT: Yes; no decision made.

Q Have you had your census taken?

THE PRESIDENT: I have had my census taken, with pictures.

Q Do you want to say anything about it?

THE PRESIDENT: Well, I read the questions through and had no hesitation in answering any of them.

Q Have you answered them all?

THE PRESIDENT: I have not finished answering them all but I have a

second sheet which I won't do until I get to Hyde Park and that is the agricultural sheet.

Q As I understand it, you are being counted as a resident of 1600 Pennsylvania Avenue and you have to account for the whole household, do you not?

THE PRESIDENT: For everybody, including the servants and everything else.

Q Do you have to answer all that?

THE PRESIDENT: No. My heavens! I did not know. I am sending for Captain Ker to give me the information on it.

Q I thought you were going to say you are sending for Senator Tobey. (Laughter)

Q Did he ask about the bathrooms?

Q Did you tell him who uses your swimming pool?

THE PRESIDENT: I do not think they asked me that. I would have been perfectly willing to (tell them) though.

Q You have to answer as the head of the household, 1600 Pennsylvania Avenue, the White House?

THE PRESIDENT: Yes. And then, of course, probably what will happen is that it will be sent up from here because there are a great many questions I cannot answer -- it will be sent up to the Supervisor in Dutchess County so that when I get up there I will be met on the front doorstep by the local fellow to fill in the data relating to Hyde Park.

Q You are accredited to Washington, D. C., aren't you?

THE PRESIDENT: Not as a legal resident, no.

Q No, but for counting, are you a part --

THE PRESIDENT: That is a thing I do not honestly know. That is a technicality. I said to Mr. Austin (Director of the Census), "You will have to look that up and I will take your decision on it just so long as you do not count me twice."

Q Was there anything about a mortgage?

THE PRESIDENT: What?

Q A mortgage on the White House? (Laughter)

THE PRESIDENT: No, because, you see, that falls in the category of over $5,000. (Laughter)

Q Mr. President, can you tell us about your conference with Commissioner Helvering of the Internal Revenue Bureau the other day?

THE PRESIDENT: Oh, we just went over the estimated tax receipts in a very preliminary way and they won't be ready until about the end of this week to give me the estimated figures for the balance of this fiscal year and also, yes, also the estimated receipts of income taxes for the balance of this calendar year.

Q Was Mr. McNutt mentioned?

THE PRESIDENT: No.

Q Mr. President, the Senate Commerce Committee today presented a bill calling for $200,000,000. for navigation, on the rivers and harbors project. Have you any comment in view of what has been said in the past?

THE PRESIDENT: The only thing I can do, I think, is to tell you a story: I have had two visits, one was from Judge Whittington of the House Committee and the other was from Senator Sheppard, Senator McNary and Senator Bailey, representing the Senate Committee. They told me they were very anxious to get through some kind of

a bill this year so that everybody would feel sweet or perhaps I should say sweeter -- an authorization bill, not an appropriation bill, and, therefore, of course, being only an authorization bill it would not have any effect on the budget or anything like that.

So, of each of these groups, House and Senate, I asked a question. I said, "How many millions of dollars of authorizations are now on the book?" They said, "About 650 million dollars worth."

"Well," I said, "you and I know perfectly well that the Government would no more appropriate 650 million dollars worth of these river and harbor things; I could not possibly do it inside of several years." I said, "I have a distinct objection to piling up these hundreds of millions for more authorizations."

So, in both cases, they said, "But, of course, as a matter of fact on these previous authorizations there are somewhere around a couple of hundred million dollars, we all know, of projects already authorized which will never be built." I said, "Gentlemen, I will make you a proposition: If you will eliminate, by law, cancel out and repeal 250 million dollars worth of existing authorizations, I will sign a bill for 200 million dollars worth of substitute projects."

Well, of course, they looked at me, these good people, and they said, which is perfectly obvious, they could not get a bill like that through.

So that is the way the matter stood when they left here.

Q You are still --

THE PRESIDENT: (interposing) That was piling, what is it, Pelion upon Ossa?

Q (Mr. Godwin) It is Ossa upon Pelion.

(Note: Webster's dictionary indicates that the Greeks used "Pelion upon Ossa.")

THE PRESIDENT: Same idea. What is the use of more authorizations when you have enough now to last for a generation?

Q Does that apply to flood control as well?

THE PRESIDENT: Yes.

Q Have any reports of the Pennsylvania flood situation come to your personal attention as yet?

THE PRESIDENT: I have not heard anything since last night. I got a report this afternoon -- the Red Cross has the situation well in hand and will handle it just like we have done in previous floods.

Q What can be done about those floods up there? Is that a Federal proposition or do you think the State should do a major portion of the work on preventing these floods in the future?

THE PRESIDENT: That is too general. You have to specify what river and where.

Q The Susquehanna Valley.

THE PRESIDENT: Well, you know -- we have, as you know, in the Susquehanna Valley we have a Corps of Engineers' plan which is being worked towards, and there has been a great deal of construction work done in the past three or four years. Of course that plan, if carried out over a period of years in an orderly way, will probably succeed, when it is finished, in curbing these very disastrous floods. It is a little bit -- it is to be taken from the point of view of the whole river watershed, just like the Tennessee Valley. You see, the Tennessee Valley, in another two or three years, it

will be so controlled that we will eliminate approximately 25 million dollars worth of annual damage, which occurred in the Tennessee Basin before the T.V.A. started to work. It will be a net annual saving of about 25 million dollars. We will put the Susquehanna on the same principle.

Q Therefore, Mr. President, any action on the part of the State which would be in the nature of a recision of funds or a termination of expenditures in cooperation with that program could be termed shortsighted?

THE PRESIDENT: Could be what?

Q Could be termed shortsighted to not spend any money?

THE PRESIDENT: I have not heard any suggestion of that kind but, obviously, the more local cooperation we get the quicker it will be done.

Q Can you tell us about your interview with former Governor Brann of Maine?

THE PRESIDENT: Just came in to pay his respects.

Q No politics?

THE PRESIDENT: No. (Laughter)

Q Brann and no politics? (Laughter)

Q Returning to the rivers and harbors question for a minute, on the line of reasoning you indicated as a barrier to additional authorizations now, would that apply to the St. Lawrence too?

THE PRESIDENT: Well, there is nothing in prospect on the St. Lawrence.

Q Assuming your treaty is going up soon -- is it going up soon? Can you say or not?

THE PRESIDENT: I don't know. It is just another of them things for

the future.

Q Mr. President, the Panama Canal improvements, would this discussion here have any application to the Panama Canal improvements?

THE PRESIDENT: No. As a matter of fact, I told them that that was, as far as I knew, there were only two -- wait a minute, now that is a different subject. You are on appropriations and not authorizations. You see, that is an entirely different subject, but on that subject of appropriations, the Panama Canal has been authorized and of course I want the amount of money that we asked for restored in the Senate and, in the same way, there were one or two projects that were, oh, what, two-thirds or three-quarters done and for common-sense reasons ought to be finished, like the Utah project -- I think I spoke about that last time -- where we had finished the dam and the reservoir and it was all ready for the water but we could not put the water into it until we put a tunnel through to bring the water through. Well, obviously, we ought to do that.

Q What about the Senate wire-tapping investigation?

THE PRESIDENT: I do not know anything about it. I did not know they were going to do it. What committee is that?

Q I think it is the subcommittee of the Interstate Commerce Committee.

THE PRESIDENT: Not the La Follette Committee?

Q No.

THE PRESIDENT: I never heard of it.

Q Any comment on your talk this morning with Bullitt?

THE PRESIDENT: No, except to say good-by to him. He is leaving on the plane tomorrow and of course, as you know, he was to have

left about ten days ago but his little girl had an accident, fell off a horse, and he wanted to stay until he was sure she was all right.

Q Did you get out this afternoon to look over the arrival of spring?

THE PRESIDENT: I did -- I had a nice hour's drive.

Q How far did you get?

THE PRESIDENT: I went around and around and around. (Laughter)

Q Anyone in mind for the Third Circuit Court vacancy?

THE PRESIDENT: Third, Third, what is that? Pennsylvania?

Q He said, "First" -- New England?

THE PRESIDENT: No, that only came in the day before yesterday. I have not talked about it at all.

Q When do you plan to leave for Hyde Park?

THE PRESIDENT: I hope to go up either around the end of the week or the beginning of the next week just for a couple of days. I have got to put in 50,000 trees.

Q Anybody in mind for the Interstate Commerce Commission vacancy?

THE PRESIDENT: Not yet. I am establishing what they call a file.

Q The Securities and Exchange Commission?

THE PRESIDENT: The same thing; I am establishing a file.

MR. GODWIN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #633,
Executive Offices of the White House,
April 5, 1940, 11.15 A.M.

THE PRESIDENT: Where is Russ (Mr. Young)? Isn't he doing newspaper work?

Q Here he is. (Laughter)

THE PRESIDENT: Well, you will be here after the fifteenth --

Q (interposing) Will the Hatch Act cover commissioners who act as reporters?

THE PRESIDENT: I think it does. I think it does. It means that after the fifteenth you will be sitting over here on the sofa.

Q (Mr. Young) Thank you, sir.

THE PRESIDENT: Right between Lauch (Mr. Currie) and Dan (Captain Callaghan) and I am going to open the thing up and let the Press ask you questions.

Q (Mr. Young) It will be pretty hard, sir -- for you. I would hate that job.

THE PRESIDENT: Don't you think it will be funny, Earl (Mr. Godwin)?

Q (Mr. Godwin) Yes, let's do it.

THE PRESIDENT: We will do it. You and Felix can act as a committee of two to cook up the questions.

Q I think Felix (Mr. Belair) would rather lay on the couch than ask questions.

Q Does that mean that this Press Conference is a political activity?

THE PRESIDENT: What?

Q Does that mean that this Press Conference is a political activity?

THE PRESIDENT: Oh, absolutely.

MR. DONALDSON: All in.

THE PRESIDENT: We are raising a very nice question here in the front row as to whether Commissioner Young is not covered by the Hatch Act at the present moment and whether this Conference isn't a political activity on his part.

Q (Mr. Young) They can't vote, sir. (Laughter)

THE PRESIDENT: Well, he still has ten days of private life; just think of that. Isn't that nice?

Q (Mr. Young) It is telling on me too, sir. (Laughter)

THE PRESIDENT: Yes, he says it is telling on him.

I do not think I have anything particular today. I am going to Hyde Park, I plan to, tomorrow at noon and stay there until Monday. I have a good many things to do up there such as choosing the tint for the walls of the new Library and things of that kind, seeing that the trees get planted.

Q Mr. President, did you discuss Missouri politics with Governor Stark yesterday?

THE PRESIDENT: Yes.

Q Anything in particular?

THE PRESIDENT: No. (Laughter)

Q Mr. President, have you had a report from the Weather Bureau on a Boston district?

THE PRESIDENT: I have not. Steve (Mr. Early), will you look into that because, to tell you the truth, I forgot it.

Q Is there another Reorganization Plan imminent?

THE PRESIDENT: Not imminent. I hope next week.

Q Do you wish to say anything regarding your participation in the Pan

American Day exercises? I think you are scheduled to speak there?

THE PRESIDENT: I am speaking there in the morning and then they are all coming to lunch with me. I have not prepared anything on it yet.

Q Mr. President, Wendell Willkie, speaking before the Town Hall in New York (Boston Chamber of Commerce) yesterday, charged that the New Deal was out to get him if it was the last thing it did. (Laughter) Have you any comment to make on that?

THE PRESIDENT: I think the comment has already been made by the Press Conference, the roars of laughter. Of course nobody takes things like that seriously.

Q Mr. President, are you for or against the Walter-Logan Bill?

THE PRESIDENT: To tell you the truth, I have not read it and do not know what status it is in. I have no idea. There is this to be said for bills -- I do not even know if the bill as it is in its present status falls into this category or not -- but if the departments of the Government, including the quasi-judicial commissions, are required to transact all of their business under the law under which they exist in accordance with the usual practice and procedure of courts, courts of law, where there is a plaintiff or a defendant in civil cases and a prosecutor and a defendant in criminal cases, it means that under those rules of practice and procedure one side or the other, either the plaintiff's side or the defendant's side, can slow up the machinery of Government on ordinary administrative matters, putting it -- giving to the side with the most money, it really comes down to that, the opportunity to slow Governmental procedure up to an unconscionable degree. I

think everybody wants to avoid that in the ordinary carrying on of Government business. That really is the big question.

Q Mr. President, is there a distinction between a new type of operating agency and an old-type regulatory agency that the Logan Bill overlooks?

THE PRESIDENT: Well, you would have to get specific cases. It is too hard to answer that as a general question.

Q I think he is referring to the Federal Trade Commission which was eliminated under an amendment passed by the House Judiciary Committee when they reported out the bill. They eliminated the Federal Trade Commission and various other older agencies and included the S.E.C. and various new agencies.

THE PRESIDENT: On what ground?

Q Well, that I do not know. That was up to them.

THE PRESIDENT: It would be interesting to know what the ground was for having a different rule for one quasi-judicial body and a different rule for another one.

Q Do you think that the fault of which he spoke is inherent in the Logan-Walter Bill?

THE PRESIDENT: I don't know. I do not know what the language or the status of the bill is at the present time.

Q Then your statement --

THE PRESIDENT: (interposing) My statement relates to principle. I just said that I have not read the bill and I do not know what its present status is. It may have been completely changed from the way it was originally introduced, which was a year ago.

Q It is on the House calendar. I think you will find, as between the

Senate and the House, I do not know whether it has been changed in any great detail or not.

Q The House had a rule on it several weeks ago.

THE PRESIDENT: I cannot talk about the bill itself because I do not know what is in it.

Q Mr. President, have you received any radio report from Admiral Byrd yet that would indicate his present plans?

THE PRESIDENT: Well, he has left. I got a radio from him about a week ago, a week or ten days ago. He is on his way up to Punta Arenas or Valparaiso -- I do not know which. He said this year's mission has been accomplished very satisfactorily and he has left two bases ashore, twenty-five men at one base and thirty at another -- do you remember the actual figures, Dan?

CAPTAIN CALLAGHAN: A total of fifty men.

THE PRESIDENT: A total of fifty men altogether in those two bases, and in the spring, their spring which means our autumn, as soon as the ice conditions permit, there will be an expedition down there to relieve these men. Meanwhile they will work on meteorology and all kinds of scientific things during the winter.

Q Does that depend on further appropriations?

THE PRESIDENT: Whether those men get back from the Antartic does depend on additional appropriations.

Q By leaving them there we could keep possession of the country?

THE PRESIDENT: There might not be any men.

Q The Washington Post had a story this morning saying there was a drive for a one-year extension of the Hull Trade Agreement law? Would that be satisfactory?

THE PRESIDENT: I heard about that yesterday afternoon and I suppose the best thing to do is to talk about it from a somewhat novel point of view in Washington in a campaign year, to talk about it from the point of view of the national good. That is almost unheard of -- I mean it takes our trend of thought back to something we are not accustomed to these days, the national point of view regardless of party. We all know that tariffs are a headache from the point of view of any administration or any Congress and, furthermore, that when a tariff is up for discussion or legislation, industry and agriculture both are thrown somewhat into confusion; they do not know what the future is going to bring forth. It slows up the economic processes of the country. I might put it this way: That if it were the custom for the Congress to rewrite the tariff of the United States either in whole or in part every year, it would be a very bad thing for the United States, no matter what the administration was. We have all had -- the older people here, I think, have seen a great many examples of that, what happens to the country when a general tariff debate (occurs). Now, next year, if this bill goes through on the basis of a one-year bill, I think it would be very harmful for the Nation, no matter whether we have a Republican administration beginning the next twentieth of January or a Democratic administration, or a Republican Congress or a Democratic Congress, no matter who the individuals are that are the heads of such an administration, in the very first year of such an administration to have to go into the whole subject of tariffs again as, in a sense, we are doing at the present time. I think it is very harmful for the

United States.

The present status of the bill, I think it is a three-year bill, seems to me a reasonably good thing for the country as a whole, regardless of party and, personally, again thinking in terms of the United States, to bring up the tariff subject -- because this trade agreement matter is essentially a tariff subject, general tariff -- to bring it up again next year I think would be bad for the country no matter what administration is here a year from now. I think that is the easiest way of putting it.

Q That would not disturb the present trade agreements, though, if the bill should lapse, if the law should lapse?

THE PRESIDENT: No, it brings up the subject next year. You have a general tariff debate. If you put a one-year limitation, up she comes again right after the twentieth of January.

Q Can you say anything about your conference with Mr. Woodrum today?

THE PRESIDENT: Oh, we are going to talk about relief. I don't know what we are going to talk about, just relief.

Q Do you think there will have to be an upward revision of the relief estimates next year, Mr. President?

THE PRESIDENT: I do not know; we are just in the discussion stage.

MR. GODWIN: Thank you, Mr. President.

By the President's direction the following is included as part of this Press Conference:

"Over the Coffee" by Harlan Miller
(From the Washington Post, 4/5/40)

"SUMNER THE SILENT

"Not in the memory of the oldest cave-dweller has the Capital encountered anything so aggravating

as the stone wall of Sumner Welles' silence.

"Avid with curiosity, if only for a word picture of Hermann Goring wolfing cream puffs and kummel, they can't even induce the Undersecretary of State to reveal whether Hermann wore jodhpurs, kilts or a toga.

"Nor will Mr. Welles say whether Hitler whispered, yelled, cooed or ranted in their conversation. He simply won't discuss it.

"One wily newsman tried to finesse him into some sort of a revelation by mentioning an official press release in Berlin after his conversation with the Fuehrer.

"'No,' said Welles, 'that wasn't after my talk with Hitler; it was after my talk with Ribbentrop.'

"Mr. Welles doesn't mean to be aggravating, nor to withhold enlightenment from Americans. He has simply made a gentleman's agreement with his confreres overseas to refrain from talking, and he intends to keep his end of the bargain. So far the European bigshots have kept theirs.

"This hasn't prevented some Washingtonians, by an exercise of mental telepathy, from proffering voluble versions of what was said at each and every one of Welles' conversations in Rome, Berlin, London and Paris.

"He simply smiles and says he hasn't communicated with any of them in any way, not even by mental telepathy. Only disclosure so far: He got cold in some of the hotels and trains.

"Welles has observed privately that if he were to comment even on trifling matters (for example, on how Mussolini looked or how Chamberlain sounded or what kind of a necktie Daladier was wearing, or how people looked on the streets) his words would be twisted by pundits, commentators and analysts--and if not by them, then by the cable condensers and the foreign translators--into something subtle, pregnant and significant.

"At the White House there is a hint of a sound,

sensible reason for all this reticence:

"Sumner Welles may have to go to Europe again, to gather further inside information from the same sources, when and if an appropriate, hopeful situation arises.

"Even if he hadn't promised silence, an eye for the future would prescribe it. His sources might shut up like a clam.

"But this being the kind of Republic it is, open and above board, one can't help wishing Mr. Welles could give us an inkling.

"Still, it is fascinating to speculate on some of the riddles to which clues or partial answers are locked in Mr. Welles' ample cranium:

"How likely is it that Goring may succeed Hitler for the sake of a sort of peace?

"Does Hitler intend to launch his bombers against London this spring?

"Would Chamberlain make peace with Hitler, Goring, Hess, Goebbels, Schacht, or whom?

"Will Britain get into the Black Sea to blockade Russian oil headed toward German tanks?

"How healthy is the axis this spring?

"Are there any secret understandings with or about Russia?

"Are the bigshots thinking of a United States of Europe?

"Things will happen, of course, to throw light on what sort of conversation Mr. Welles encountered. As Mr. Hull would say, there will be developments, phases and ramifications.

"In fact, there's already a ramification. Berlin's release of allegedly phoney documents intended to prove America's 'war guilt,' timed to coincide with Mr. Welles' return, indicates Hitler didn't feel he had made a good impression on Welles,

or vice versa.

"It is preposterous to expect diplomats and heads of governments to disclose their conversations permaturely.

"Every man knows a wooing can't be conducted under a spotlight, and even a peacemaker must look out for a sock in the nose.

"But secret diplomacy isn't popular in the U.S.A., and the State Department might as well reconcile itself to being badgered for revelations--especially by some of the screwballs on the Hill who prefer to believe a Nazi propagandist rather than an official who belongs to the opposite political party in this country."

CONFIDENTIAL
Press Conference #634,
Aboard the Presidential Special Train,
en route from Highlands, N.Y., to Washington, D.C.
April 9, 1940, 2.15 P.M.

THE PRESIDENT: Well, John (Mr. O'Donnell) how are you?

Q (Mr. O'Donnell) Fine.

THE PRESIDENT: Slide up in the corner, big boy (to Mr. Reynolds) -- way up in the corner -- go on, you are not half way there. That's better. George (Mr. Durno)! Well, did any of you go to sleep again last night?

Q Two or three did.

THE PRESIDENT: George, what paper do you represent?

Q The Police Gazette.

THE PRESIDENT: I think you represent the "Cascaret Monthly." Maybe we had better say the "Milk of Magnesia Monthly".

Well, you know as much as I do.

Q Can you make any comment on the foreign situation, sir?

THE PRESIDENT: No.

Q You have been in touch with Washington today?

THE PRESIDENT: Yes; a number of times.

Q In touch with any of our men abroad, sir?

THE PRESIDENT: No.

Q No transatlantic calls?

THE PRESIDENT: No; that is what they call a radio fake. (Laughter) Now, don't print that. You would hurt Carleton's (Mr. Smith's) feelings.

Q Any steps to be taken to see what can be done about our neutrality

law and its application in the present situation?

THE PRESIDENT: That is up to the State Department. I can tell you this, that there are two questions involved: First is a neutrality proclamation (a) in regard to (Denmark) -- because as far as we can tell, this is the sort of thing I can't even say whether it is involved in the case of Denmark because there hasn't been any fighting. The question is, is there a war going on between Germany and Denmark? It is a matter of looking into that question. Secondly, in the case of Norway, we probably won't know anything about that until tonight, as to the legal status of it.

However, the question of a neutrality proclamation is involved in both cases -- maybe.

And the other thing is a question of the extension of the proclamation over closed waters and, as far as we can tell by the reports already received, the zone of warfare has been extended north of the line which was drawn last September and would, therefore, call for a new supplementary proclamation.

All of that data is being got together and will be taken up on my arrival in Washington.

Q You are going to see Secretary Hull?

THE PRESIDENT: Yes.

Q Anyone else?

THE PRESIDENT: Oh, there will be various people to telephone to. I don't know that I will see anybody besides the Secretary and the Under Secretary of State.

Q Have we been approached by Norway or Holland with the proposition that the neutrals should get together and by some united action

bear down on violations of international law, such as --

THE PRESIDENT: (interposing) Not that I know of.

Q The Dutch were talking about that very strongly back in the days of the Altmark incident when I (Mr. O'Donnell) was there and this action -- do you think that would be feasible?

THE PRESIDENT: I don't know. I haven't the faintest idea. My mind does not travel as fast as yours.

Q I am sorry, sir; I didn't get that.

THE PRESIDENT: I said, "My mind does not travel as fast as yours." In other words, it is so highly hypothetical -- not as a question but as a subject.

Q This Altmark thing might open --

THE PRESIDENT: (interposing) Put it down as speculative.

Q With Germany claiming Greenland and Iceland --

THE PRESIDENT: (interposing) Denmark does not possess Iceland -- it is an independent republic.

Q (Mr. Durno) All I know is what I read in the papers. (Laughter)

THE PRESIDENT: Iceland is an independent nation --

Q (interposing) Controlled by Denmark.

THE PRESIDENT: It is not; it is not controlled by Denmark. It has the oldest parliament in the world. Iceland has, as its king, the same fellow who happens to be King of Denmark and, as a matter of saving money, they use the Danish consuls and ministers instead of using their own. Our Minister to Denmark is also accredited as Minister to Iceland, with a separate document.

Q Which is a coincidence, I suppose?

THE PRESIDENT: No; no; that is the sovereignty status.

Q Really?

THE PRESIDENT: Sovereignty status; sure. You boys are learning a lot.

Go on -- what is the question?

Q Well, get back to Greenland, then?

THE PRESIDENT: What about Greenland?

Q If Germany has taken Denmark, does that extend Germany's domain into Greenland?

THE PRESIDENT: You mean sovereignty?

(A pause followed by laughter)

Q It is getting a little tough now. (Laughter)

THE PRESIDENT: You see, the trouble is this: We are all talking about things we don't know anything about. Nobody knows what has happened to Danish sovereignty at the present time. Where is Danish sovereignty? Has Germany taken Denmark or has Germany said to Denmark, "We are occupying you temporarily and at the end of the war we will restore you to the control. You still retain the sovereignty." Nobody knows, so it is one of those things we can't talk about. Denmark has got sovereignty over Greenland.

You run into another thing, just to show you how silly it is conversationally and how difficult it is to write stories correctly. It is highly speculative the whole damn thing. I don't know. Suppose, for the sake of argument there is a little corner of France where John (Mr. O'Donnell) was during that terrible experience he had up at the front where he got his wound stripes and things like that; suppose there is a little corner of French territory that is occupied by the Germans? All right. Now, there wouldn't be any sense to ask about the German control over Martinique. You see

the point? It is an absolute parallel.

(Pause)

Go on and shoot; you are good.

Q Do these developments abroad of the last 48 hours -- the expansion of the war zone -- bring the war closer to the United States?

THE PRESIDENT: I think you can put it this way: that the events of the past 48 hours will undoubtedly cause a great many more Americans to think about the potentialities of the war. --- And stop there. Now, there is no implication -- don't read anything in as to what we are going to do or not going to do. Just what it says -- it will cause a great many more Americans -- which is a grand thing -- to think about the potentialities of this war in relation to the United States than they have been doing in the past six months. (Pause while notes are being jotted.) I warn you, somebody is going to get hung if they try to hang something on that statement that isn't in it. In other words, it is a damn good thing for Americans to think about the subject and not take everything for granted.

Q Like Iceland, I suppose. (Laughter)

THE PRESIDENT: Well, it is a grand thing to speculate right along that line. But, of course, it is wholly speculative -- you have to recognize that. I don't the least bit mind speculation on the part of the public -- not the writers.

Q Stories out of Canada this morning say that Mackenzie King is coming to the United States and will probably drop into Washington.

THE PRESIDENT: I haven't heard about it but he generally does take a holiday around this time of the year. I haven't heard that he is

going to but I will be delighted if he does because he generally does stop on his way south or north to see me.

Q I suppose this is a question which has been asked before but it is only my (Mr. John O'Donnell) second conference in a long time: Are you planning to send --

THE PRESIDENT: (interposing) You know, John, now he almost has the technique of the British press. It is good. (Laughter)

Q (Mr. O'Donnell) I didn't think I was as bad as that. (Laughter) I get criticized for many a fault but that is a new one.

THE PRESIDENT: No, but it is an entirely different technique from what we use. Go on. That is not a slur at all. It is very interesting.

Q After the introduction, the question was whether the situation has arrived at a point where we want an Ambassador in Berlin.

THE PRESIDENT: I think at every Press Conference for the past six months (I have said) I don't know anything about it; never heard of it.

Q May we put it this way: Has Wilson completed his mission for which he was recalled?

THE PRESIDENT: I think he is on special duty in the State Department. That is all I can say to you.

Q I think he has resigned as Ambassador -- resigned the ambassador status.

THE PRESIDENT: I don't know. Did he? Didn't he -- this is off the record -- didn't I read in the paper that he was doing some work for Hoover on the Hoover Relief?

Q I am not aware of it if it was published.

THE PRESIDENT: Maybe I am mixed up with Hugh Gibson. I think if you will check you will find that Hugh Wilson has been doing work for Hoover on the campaign for Finnish funds. I am not dead sure.

Q Mr. President, do you anticipate that a proclamation might be issued some time tonight on the neutrality?

THE PRESIDENT: It might. I can't tell. When you get there you had better -- what time do we get in?

MR. HASSETT: Eight o'clock.

THE PRESIDENT: Well, we would not know until nine. Call up the office around nine o'clock. I would know by that time if something is coming out.

Q We will be there.

THE PRESIDENT: You be there and I will try -- you know it is one of those things I can't promise to hold up until morning if it is after nine o'clock because it might have to be issued tonight, but I will know definitely by ten as to whether something is going out or not and get it to you just as quick as the old mimeograph will work. It depends a little bit on how they are doing the home work during the day.

There was something else about Hyde Park that I wanted to mention. I have forgotten what it was.

Q Norwegian pine?

THE PRESIDENT: Now, there is another case that is highly speculative. Last year I lost the whole damn crop.

Q You thought it was good for the American people to speculate?

THE PRESIDENT: Yes. There was something and I can't remember what it was.

Q It wasn't the dream cottage this trip?

THE PRESIDENT: What was the thing about the dream cottage?

(No answer)

Q Have you heard anything from Illinois or Nebraska today -- the primaries?

THE PRESIDENT: No. There are certain things like primaries and politics which sort of get eclipsed by the news of the last 48 hours. They don't seem to have quite the same relative importance that they had before -- except as space filler.

Q Some people also get eclipsed in them too.

THE PRESIDENT: In what?

Q Some people get eclipsed in the primaries.

THE PRESIDENT: Well, they may and they may not. There are some things more important than anybody getting eclipsed.

MR. BELAIR: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #635,
Executive Offices of the White House,
April 12, 1940, 10.40 A.M.

Q Good morning, sir.

THE PRESIDENT: Good morning.

Q How are you today?

THE PRESIDENT: Any late news from the other side?

Q Just more of the same. Cannot tell whether that is a conclusive battle or not. At least, I cannot -- maybe you can.

THE PRESIDENT: No; absolutely conflicting statements.

Q A very interesting incident in Denmark, sir. The British bombed the communications center in Denmark and the Germans said, "If that is true; if the circumstances are as reported it may form a new base for our operations."

MR. DONALDSON: All in.

THE PRESIDENT: At eleven o'clock I am going to sign the Trade Agreements Extension Act in the presence of the people who did so much to get it through and there is a statement with it which Steve (Mr. Early) will give you right away, when you go out.

Q Sir, the people who did so much to get it through would include Secretary Hull --

THE PRESIDENT: (interposing) Senator Harrison, Congressman Doughton and Secretary Wallace.

I do not think there is anything else I have got on my mind.

Q Will you talk taxes with Mr. Doughton and Senator Harrison while they are here?

THE PRESIDENT: No, just the signing of the bill in the presence of the

photographers. (Laughter)

Q Mr. President, can you clear up the F.A.A. situation? The Order says that the F.A.A. is to be abolished and Mr. Alexander says he was authorized by you to tell us that he was merely to be absorbed and that his Administration would be a separate unit, which does not --

THE PRESIDENT: (interposing) Well, the two statements are completely consistent. In other words, in Federal Alcohol Control, as you know, they have a great many people who are carrying out the duties of Federal Alcohol. They are carrying out the duties under the law. They are not going to be fired, they are going to be retained, of course, because they are all people who are doing excellent jobs, a great many of them are on civil service and they will be used in the same way that they have been used before, the great bulk of them. There will be some savings -- it is merely a question of whom they report to. That is all.

Q Mr. President, do you plan to send up a special Message on W.P.A.?

THE PRESIDENT: I do not know. They are talking of it up there on the Hill and I will probably see Congressman Woodrum and Senator Byrnes and various other people in the course of the next week.

Q Mr. President, do you care to comment on the transfer of the Civil Aeronautics Board?

THE PRESIDENT: Well, there again, the present existence of the machinery of Government remains intact. The principal change is to carry out the objective of reorganization plans: There is an unfortunate person, called the President of the United States, and instead of having to talk to forty-five or fifty different agencies, which is

physically impossible, we are trying to reduce the number of people that he has to talk to. The present organization will remain intact except that we will save certain top salaries. In other words, the Air Safety Board work will continue, just as it is going on now, only instead of having to use an Air Safety Board it will be handled through the C.A.A., the Administrator and the Secretary of Commerce up to the President. It is merely a labor-saving device.

Q The statement is made in criticism of your Order -- the statement -- I think this came from the Senate --

THE PRESIDENT: (interposing) Probably. (Laughter)

Q -- that aeronautic safety is imperiled.

THE PRESIDENT: Spinach.

Q Spinach?

THE PRESIDENT: Spinach. In other words, all the work for air safety that is being done today is going to continue and the three gentlemen at the top, I think, are all in agreement that it is perfectly possible to abolish three jobs and put in one man to run the Bureau.

Q Mr. President, several years ago, when P.W.A. was being started, you set aside or earmarked or whatever it was called at the time, several million dollars for grade crossing work and that was about coincident with the time of the crash out here at Rockville. Over in Prince Georges County they had a crash and I have had several letters asking what has happened to the President's road safety or road crossing elimination program. As I understand it, the program is going ahead. It has never stopped, has it?

THE PRESIDENT: Oh, my, no. I would be afraid to say offhand how many million dollars has been spent by the Government on a matching basis with communities and states. You would have to get the figures. There have been literally hundreds of grade crossings that have been eliminated as a result of that program. I imagine all of that money has been either spent or obligated a long time ago.

Q Yes, it has. This simply is a local matter of some interest because I get so many letters.

THE PRESIDENT: You had better check on this. I think the total amount of money -- this is just a guess -- but I think it is $40,000,000. that actually has been spent on grade crossings.

Q In this Prince Georges County crash there has always been a dispute between the county and the railroad or the State and the county --

THE PRESIDENT: (interposing) As to how they would pay. Yes, that is right.

Q Would the violation of the integrity of Greenland raise the problem of applying the Monroe Doctrine?

THE PRESIDENT: Oh, I think you are about -- you are very, very premature.

In regard to Greenland, I have been reading the encyclopaedia and various other works on Greenland and I have also talked to a number of geographers and geologists, et cetera, and from the point of view of very, very ancient history, the Island of Greenland, in its fauna and its flora and its geology, belongs much more closely to the American Continent than it does to the European Continent; that is the very simple fact. Still, at the

present time, and I am looking at it more from a humanitarian point of view than a political point of view, there are about, roughly, 17,000 human beings in Greenland and the Danes have -- of course nearly all of them are Eskimos, full-blooded or part-blooded, and comparatively few pure white Danes, Europeans, I think only a few hundred. The Danes have done an awfully good job with the Eskimos. They have a system of cummunity governments, where each small settlement of Eskimos and perhaps a few white people among them are self-governing, and the thing has worked awfully well, both from the social angle and also the economic angle. But, in spite of that, Denmark has had to send up, every spring and every summer, a certain number of supply ships to take to the population of Greenland certain necessities of life which they cannot raise or grow among themselves.

I have got the Red Cross looking into the question of fact as to the needs of these 17,000 people in these small communities on the east coast and the south end and the west coast of Greenland during this coming summer so that we can be reasonably certain that they won't starve through next winter and they will have certain things they ought to have. It will be primarily a question of relief, which should be handled by the Red Cross, and I think the American people -- it won't involve any large sum of money because there are 17,000 total population -- and I think the American people will be glad to chip in and help those people go through the next winter if their supply ships from Denmark are cut off. I think that covers it.

Q Thank you.

Q Suppose Germany occupies Greenland, any part of it? Won't the political question arise --

THE PRESIDENT: (interposing) I think you are awfully hypothetical, Fred (Mr. Essary).

Q Well, there are a lot more like me. I hear it discussed everywhere and read discussions of it in nearly all the papers I read.

THE PRESIDENT: I think it is grand that the American people are learning something about a subject that very, very few people have thought of before. The number of people in the last three days or two days that have come to me and said, "By gosh, have you looked at the map?" "Sure, I have been looking at the map." Everybody has been pulling out an atlas and they have been reading the Encyclopaedia Britannica, just the way I did, but it is all to the good.

Q Don't you think a globe is better? (Laughter)

Q Is this interest of yours in this statement relating to the possible relief of the Eskimos something of your own or was it suggested to you by the Danish Government?

THE PRESIDENT: No, no. I will tell you how it came about. Mrs. Ruth Bryan Owen, Mrs. Rhode, on her way back from Denmark four or five years ago, stopped off in Greenland and took a lot of pictures and showed them to us at the White House one evening and I got quite thrilled. I have been thinking a lot of those people up in Greenland the last few days, thinking in terms of these pictures, the very interesting life they are living. I invented it; it is all right; nobody else.

Q Iceland is not included?

THE PRESIDENT: No, I am thinking in terms of Greenland.

Q Do you consider, sir, that Iceland, by its flora and its fauna --

(laughter)

THE PRESIDENT: (interposing) I only had time to do Greenland last night. (Laughter)

Q Mr. President, could you straighten us out on your conversation yesterday with Commissioner Fly?

THE PRESIDENT: I wanted to find out what the Commission was doing about this television thing. It is a very, very -- it reduces itself to a comparatively simple statement but a rather difficult problem. Television, undoubtedly, has a great future and there are all kinds of claims made for it, that it is going to put millions of people to work, et cetera and so on. Well, it will put some people to work that are not now working but it won't be anything like the advent of the automobile or the advent of the radio for the very simple reason that in people's homes the development of television will mean that one set, the present radio set, will include television. It will put more people to work but nothing like these exaggerated claims.

But the more important question is the question of monopoly control and that gets into the technical realm. The Commission wants to be quite certain, and I think they are right, that in this new art we will have the same kind of competition on three angles that we have in things like radio and things like the automobile -- when the automobile patents were pooled, the old -- what were they, the Winton patents, around 1908 -- way, way back?

Q (interposing) The Seldon patents.

THE PRESIDENT: Yes. Now, that causes a technical question. We do not want to get into a position in this country where one company can control all sending. Now, in the radio field we have a pretty effective competition: we have a number of national broadcasting companies; we have a great many regional broadcasting companies; we have a great many local, purely local, broadcasting companies. Now, that is the transmission end. On the reception end, any home in the United States can pick up any broadcast it wants to pick up. (You have) complete freedom as to who you are going to tune into and the development of the television ought to follow the same general line so that on my television set, as the thing develops, I would have a choice of stations under a competitive system -- I would have a choice of picking up a prize fight or a Town Hall meeting -- it is very much the same thing, of course, but at least I would have the choice. (Laughter)

Eventually, I would be able to get a foreign television broadcast -- not ready for that yet, but it will come -- so all the Commission is doing is working along the line, absolutely, in favor of the development of television just so long as the country is absolutely sure that it is going to be put on a competitive basis with no one organization controlling all of the sending and every set in the homes being able to pick up any television band that it wishes to pick up.

As I say, it is technical; it is being studied and I think probably in the course of this spring and summer the thing is going to be worked out so that the television sets can be put into production.

Q Can you tell what is the attitude of the industry towards this feature of monopoly?

THE PRESIDENT: There are quite a number of companies that do not want it monopolized. Well, for instance, -- do not use this because I do not want to advertize the company -- for instance, Philco, which I think is one of the largest manufacturers of radio sets, they want to be quite sure that whatever television set they add to their radio set will be able to get reception from a number of different sources, which is reasonable. The industry is -- the bulk of the radio industry today, I think, wants it put on the same basis as radio is today.

Q Mr. President, the Jones-Weaver Farm Credit Bill -- does it have your approval?

THE PRESIDENT: I do not know enough about it to answer the question. I am going to study it the next few days.

MR. GODWIN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #636,
Executive Offices of the White House,
April 18, 1940, 10.46 A. M.

Q Spring is here.

THE PRESIDENT: Got your summer clothes out?

Q Is that a new suit or is that the nice old one you have?

THE PRESIDENT: No, the old one. I have had it two years.

Q It is grand looking stuff.

THE PRESIDENT: This was made at Hyde Park; it is very nice.

Q Do they still make it up there?

THE PRESIDENT: Yes. Nellie Johannsen.

Q Great stuff.

MR. DONALDSON: All in.

THE PRESIDENT: I thought I would have a Press Conference today so that it would not interfere with the little game on the train tomorrow going down. (Laughter) What are all you laughing at? (Laughter) Don't you wish you were going, Earl (Mr. Godwin)?

Q (Mr. Godwin) Yes.

THE PRESIDENT: I wish you were.

In about twelve minutes -- you will have to hold it until it is actually ready because there is a letter Steve (Mr. Early) has for you on relief. It is not a Message. I would say it is a letter to the Speaker, which would be referred to the Chairman of the Appropriations Committee. It says:

> (Reading)"In submitting to the Congress my budget for the fiscal year 1941, I included an item for relief and work relief which provided the amount of approximately $975,000,000 for administrative expenses and the cost of project operation of the Work Projects Administration. This represented a reduction of approximately one-third from the amount which was

made available for these purposes in the current fiscal year, and if used for the twelve months of the fiscal year 1941 will provide an average employment of only about 1,330,000.

"In the message transmitting this budget, I commented upon the item for relief and work relief by saying: 'If conditions fail to meet our hopes, additional funds may be necessary.'

"The preparation of the budget was completed in December, 1939, at which time industrial activity in the United States was at a very high level. I regret to inform you that the hopes which I entertained at that time and which were based on the industrial outlook then prevailing, have not been sufficiently realized and that it is therefore in my judgment now necessary to adopt measures for dealing with the situation which exists today and which may be quite confidently predicted for the next few months.

"The industrial production index of the Federal Reserve Board for December stood at 128, an all-time high. In January it declined to 119, and in February to 109. The preliminary index for the month of March is 105. It is hoped that it will not go lower than this."

Of course, it is way above this time last year.

"It is extremely difficult to predict at this time the volume of employment in private industry that will be provided throughout the whole fiscal year 1941. The present indications are that leaving out any violent fluctuations which may occur due to events abroad, private employment in the fiscal year 1941 will be as high as in the fiscal year 1940."

Well, that is the only prediction that is made in this letter.

"There is certainly at the present time no information available to justify a reduction in the program of the Work Projects Administration below that which has been carried on in the current fiscal year with an appropriation of approximately one and one-half billion dollars.

"In my judgment the most logical action that the Congress could take at this time would be to appropriate the budget item for the Work Projects Administration but to lodge discretionary authority in me or in the Commissioner of Work Projects to expend this amount in the first eight months of the fiscal year, on condition that unemployment conditions in the country are such as to require such expenditure within that period. I can assure you that if this discretionary authority is provided in the Appropriation Act, the appropriation will not be expended within the eight months unless it is absolutely necessary to avoid suffering and hardship.

"If the appropriation is made with the provision which I have just described, the incoming Congress will have the period from January third to March first, 1941, to deal with the question of the need of providing funds for the last four months of the fiscal year, if such need is then apparent. It may also be necessary, in connection with the consideration of this question, at that time, to give attention to the related question as to whether taxation will be necessary in order to provide the needed funds.

"I would like to make it clear that I am asking only for authority to exercise a limited discretion in the expenditure of the appropriation, and that I am not asking that the principle of apportionment which is written into the current Appropriation Act be abandoned. I believe it is entirely proper and advisable for the Congress to include the apportionment principle in the Act, but this principle can just as logically be extended over the eight months period as over the entire fiscal year."

So that covers that pretty well. Are there any questions on it?

Q It has been suggested, Mr. President, that that recommendation amounts to an eight-months' appropriation. Anything you can say about that?

THE PRESIDENT: No, no. That is exactly the point and it is an awfully difficult thing to describe in a headline but I think you can describe it in a lead. Obviously, anybody with any common sense knows that this year, far less than any previous year, are we able to predict what is going to happen during the fiscal year 1941. We do not know. All you have to do is to read the daily papers and listen to the reports from the other side to realize that we haven't got the foggiest idea about whether we are going to have a boom or not in this country. The economists do think that the fiscal year 1941 will provide as much employment as the fiscal year we are in now. Now, that is all they are willing to talk about. If it does provide as much, we will probably have to spend a large part of this $975,000,000 in the first eight months -- no question about that. But, if there is more employment, it would stretch further. Now, nobody can tell, not even a member of Congress can tell how much employment there is going to be in the fiscal year 1941.

Q Why do you say "not even a member of Congress"?

THE PRESIDENT: Because I saw in the papers this morning that quite a lot of them have very definite ideas on the subject.

Q Mr. President, are you going to say anything more about raising the debt limit or taxes?

THE PRESIDENT: No, no. You see, on your debt picture -- again it is awfully difficult to do much more than guess. If we do not have the $460,000,000 taxes that we recommended on the third of January -- and, of course, we all know that in all probability Congress is not going to give us 460 millions of additional taxes at this session, then the question comes, "Well, what happens to the final deficit estimated for the fiscal year 1941?" That is pretty hard to tell but there are various possibilities that are worth thinking about. Maybe Congress will cut the total of my Budget estimates for expenditures in the fiscal year 1941 a couple of hundred million. Now, that is always possible. Then we have got to remember that an appropriation that is made by this Congress is not necessarily spent in the fiscal year 1941 as, for example, the famous case of the item they added in the Senate, the parity payments. Well, of course, everybody knows that that particular appropriation probably -- practically none of it will go out of the Treasury in the fiscal year 1941 because it applies to crops that mature in the summer of 1941. So, there is a chance -- and I am very keen to see it happen -- that the total appropriation by this Congress that would be spent in the fiscal year 1941 will be two or three hundred million dollars below my Budget.

And it is also entirely possible that the tax receipts in the fiscal year 1941 might be up another couple of hundred million dollars so, from those two sources, two or three hundred million less expenditures than were budgeted and a couple of hundred million more in addi-

tional taxes, there you have got an amount maybe equal to the 460 million of taxes which we are not going to get.

Now, is that clear?

Q Mr. President, I think it is perfectly clear --

THE PRESIDENT (interposing): I have tried to make it as simple as I could.

Q -- may I ask you this: Do I gather that this is your hope or your definite prediction on this?

THE PRESIDENT: Hope, hope, and again --

Q (interposing) Would that be true of additional expenditures for relief?

THE PRESIDENT: What?

Q Would that be possible with additional expenditures for relief, assuming that there is an additional expenditure for relief?

THE PRESIDENT: Well, there again you are assuming there is going to be. I do not know. I haven't any idea and I do not think we can assume it.

Q Can you tell us what you think of Senator Pepper's suggestion for a deficiency appropriation for relief now?

THE PRESIDENT: I have not heard of it.

Q You are assuming that the parity payments will go through?

THE PRESIDENT: Not necessarily. There was some discussion yesterday of doing -- in the long run it is as short as it is long -- instead of appropriating the money, of authorizing the Secretary of Agriculture to enter into contracts with farmers, parity contracts, very much the same way that we used to enter into contracts, and still do, with the governors of states in regard to building highways, which means an obligation on the Congress next year to pass the appropriation for it to be paid out in the beginning of the fiscal year 1942.

Q Has your main legislative program been submitted to Congress?

THE PRESIDENT: Yes.

Q Any further --

THE PRESIDENT (interposing): I do not think there is anything else.

Q Are you looking for any oil legislation at this session?

THE PRESIDENT: I do not know; I have not followed it lately; could not tell you.

Q On the matter of oil have you advised the Justice Department yet as to what course he thinks they should follow in this controversy over the submerged oil lands in Southern California, the row over title?

THE PRESIDENT: I have not; I have got a report from the Attorney General somewhere in the bottom of that basket and I am going to read it down at Warm Springs.

Q Read it down there?

THE PRESIDENT: Yes.

Q Do you expect to submit the St. Lawrence Treaty?

THE PRESIDENT: I do not know. Do you know when it is going to be signed, when and if?

Q No.

THE PRESIDENT: Neither do I.

Q Would you care to say something on the implications of Secretary Hull's statement last night on the Dutch East Indies?

THE PRESIDENT: No; I think what he told the Press yesterday covers the thing all right.

Q What was that?

THE PRESIDENT: The Dutch East Indies. What the Secretary of State told everybody yesterday, I think covers the situation pretty well. In other words, we all hope that the status quo in the whole of the Pacific area can be maintained in the general interests of peace.

Q Mrs. Rogers, of Massachusetts, suggested yesterday that the United States establish a protectorate over Greenland and I understand that the May

Harper's Magazine has an article suggesting that we buy Greenland. Have you seen that suggestion in the magazine or --

THE PRESIDENT (interposing): No.

Q -- or any comment on --

THE PRESIDENT (interposing): Of course, Senator Reynolds has some suggestions about the West Indies and a lot of people have happy thoughts these days.

Q Can you tell us what you and Jim Farley talked about yesterday?

THE PRESIDENT: Oh, we talked about a lot of things. (Laughter) We talked about the permanent chairman and the temporary chairman of the convention.

Q Talk about candidates?

THE PRESIDENT: No. (Laughter)

Q Mr. President, I think the Young Democrats would like to have you say that you are going to address them by radio and if so, where. Is that next Saturday?

THE PRESIDENT: I am to address them from Georgia Hall at Warm Springs -- is that Saturday night?

MR. EARLY: Saturday.

THE PRESIDENT: Saturday night. I have not written it. I am going to try to write it going down on the train tomorrow. It will be short and sweet and probably to the point.

Q Can we take that as an announcement that you are going to Warm Springs?

THE PRESIDENT: I am going to leave sometime this afternoon or tonight, early in the evening or in the middle of the night, and the train will be kept ready, I suppose at Atlanta, so that within two hours the train will be fueled up and I will motor from Warm Springs to Atlanta to come back, if I have to. Which reminds me of the terrible commotion -- what was it? just about a year ago -- when I said goodbye at Warm Springs and that I would be back if something did not happen, if there was not a war. And,

of course, I was terribly criticized for this by the people who had better information about international affairs than I had. And this year I am going to Warm Springs and I might just as well say it now, probably, without any fears of criticism, that I am available to come back on an hour's notice in case things get worse.

Q That is the way to put it.

THE PRESIDENT: And they may -- I do not know.

Q Aren't you to see the editors this evening?

THE PRESIDENT: Oh, yes, that is right. I would not leave until I had seen them.

Q If you were not going to see them, you could tell us now what you were going to tell them. (Laughter)

MR. GODWIN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #636-A,
With Members of the American Society of Newspaper Editors,
Held in the State Dining Room of the White House,
April 18, 1940, 9.00 P. M.

(There were about 275 present, each one of the members being greeted personally by the President.)

MR. DON STERLING: Mr. President, the members of the American Society of Newspaper Editors are truly grateful to you for receiving them for the eighth consecutive time in this historic mansion.

And to my colleagues who are your guests tonight I would again sound a note of caution. Whatever the President of the United States may say to us on this occasion is "off the record". And by "off the record" I mean "off the record" in every way the phrase implies.

The good faith of the organization is pledged that nothing said here by the President will be published or repeated in any form, nor used as a basis for publication or repetition.

On other occasions a few of our members, subsequent to the White House Conference, have innocently become the means of transmitting some of the information acquired here. I urge members to refrain from discussing what transpires at this session with any save fellow members of the Society.

Mr. President, we would welcome from you any comment you may care to make on the foreign situation, national defense, labor relations, unemployment, public debt limit, taxation -- and may I have the temerity to add -- any other subject that may be uppermost in our minds.

(Laughter)

THE PRESIDENT: The first order of business is that Don will give me that list of subjects.

MR. STERLING: Here they are.

THE PRESIDENT: I can hardly realize that this is the eighth session that we have had. It has given me, probably, a good deal more of a kick than it has you during these previous seven sessions to talk things over. We have had all kinds of questions and all kinds of replies.

There is only one thing I want to find out: You remember last year I raised the question about Dutchess County, that Dutchess County was not represented in this room. I understand they applied for membership later on. Is there anybody from Dutchess County here?

Q I am representing Dutchess County. I am from Westchester and I represent Mr. Dick Coons, who asked me to tell you that his application is in.

THE PRESIDENT: All right; as long as you represent Dick Coons, it is all right.

I do not know that there is anything in particular I can say at this time except perhaps to go back a little bit into the past. As you know, I am accused of being an optimist. I never have been nearly as much of an optimist or Pollyanna as you gentlemen, not once in all the seven years. I have been an old-line conservative. I have viewed with alarm all kinds of things that were happening, whereas you were not.

As you will remember, last year you thought that I was -- oh, let us say an "alarmist" about the situation of the world and, after our Conference in April last year -- I do not know whether it was a case of cause and effect or whether it was pure mental telepathy or coincidence -- after I saw you in April we went through May and June and well into July and I think I told the members of the Congress of the United States just what I told you, that events in the world were not so happy and might result in war. But I was solemnly assured by brethren who were in the legislative branch of the Government, some of them who have now passed to the great beyond and others who are still alive, that I was all wet,

just the way, in effect, you told me last April. But the fact remains that I was right and most of you, the majority of you, were wrong, and a lot of things have happened since then. We won't go into that; you know them just as well as I do. I am only wondering, from the point of view of giving information to the country, as to whether the country realizes the possibilities, the potentialities of a world situation and I am trusting very largely to the press to bring the situation frankly to the attention of the American public because I think they are entitled to know it.

You can do it just as well as I can; I do not have to tell you anything. All you have to do is to read the dispatches from across the ocean.

I think -- I do sense in the past couple of weeks, perhaps, an increased desire, a willingness on the part of the American public, to think things through. I can tell you this, because this is all off the record, as you know: My wife came back from a lecture trip of three weeks and she noticed, even in the past week, that people were beginning to take their heads out of the sand and beginning to say to themselves and in questions to her, in the last week of this trip, "What is going to happen if? What is going to happen if?"

Before this Denmark episode and the Norway episode, there weren't nearly as many questions by the public.

"What is going to happen if?" That is the first time that I have seen a more general willingness on the part of the American public to say, "What is going to happen if?"

Well, I think that you gentlemen are just as able to write forecast stories and to think things through editorially as they are in the newspaper columns -- because there is still a thing known as a colored news

story after all these years; I think I talked about it seven years ago for the first time. I think you can get people thinking just as well as I can on that question of what happens to the United States "if". I think you have got a very definite duty to start that thing going around the country -- and not take a positive line on it because no human being can do that. There isn't anybody that can answer the question, "What happens if?" I cannot; the State Department cannot. But you and I and the public are beginning to realize a little bit more that there are certain rather more clear implications by way of answer to that question as affecting the American future, and I cannot help but feel that it is a pretty good thing for this country to analyze the question.

As I have said to a lot of people that have come in to see me lately -- they have talked glibly about all sorts of foreign nations -- I have asked them the simple question, "Where the hell is that country, the country X?" And in an amazing number of cases -- members of Congress, members of the Senate, members of the press -- when I pinned them down as to where that place is, they have not known. Now that is the plain fact. Of course I do have to admit that we do know an awful lot more, as a nation, 130 million people, about international geography, international populations, international implications, than almost any other population in the world, and what has happened since 1914 has been an amazing performance. I have commented on it in these meetings before. We are carrying in our newspapers more foreign news than in the newspapers of any other nation in all the world. But it did not start until 1914. We carried probably less than our share prior to 1914. But, during those war years, the press of the Nation got -- what shall I say? -- geography-minded and since then our Nation, even in the little county papers, has increased (its foreign news) in proportion in an extra-

ordinarily satisfactory way, so that the American public is better informed. But I do not know that I can say that that is a real accomplishment, because I think the American public, the best informed in the world, is still very badly informed about the world. In other words, it has got a long ways to go.

Well, I am going to ask you all to ask me any questions you want afterwards. I have got Don's list of things.

National Defense: I think I can say one rather interesting thing for those people who think in terms of the Budget more than they do of any other topic in the world, that this year we will probably spend over two billion dollars on the current national defense bill of the United States. And that does not count the other bill, pensions for former wars that run to another billion dollars, interest on the public debt, half of which is due to former wars. In other words, a total of about a billion and a half as the cost of former wars. The total deficit, in very round figures, this coming fiscal year, beginning on the first of July, is going to be somewhere between a billion and a half and two billion dollars and national defense, in other words the current maintenance and operating budget of the Army and Navy and Marine Corps, is responsible for two billion dollars. Then, former wars, by way of pensions and the old portion of the national debt that can be charged up to the World War, are responsible for another billion and a half. So, we have two billion dollars for national defense and a billion and a half for former wars, which is three and a half billion dollars, and the total deficit will be only between a billion and a half and two billion, so you can draw your own conclusions as to one reason why we are continuing in these days to create a national deficit.

Then we come down to the third subject, Labor Relations: I don't

know -- I suppose the easiest thing to do for you good people would be to ask to come to your formal dinner, Bill Green and John Lewis, and give them a half hour apiece and then a free-for-all for another hour. So much for labor relations. (Laughter)

On Unemployment: The gentlemen whom I referred to the other night, at the Gridiron, as having a well-developed sense of rumor, the columnists, the interpreters, had a perfectly grand time this month as to unemployment figures, so I sent for one or two of the so-called economic advisers -- oh, more than that, five or six of them -- some of them in the employ of the Government, some of them in the employ of private business, and I said to them, "I notice that you have given a figure on unemployment in the United States. Who is an unemployed person?" Well, they began to hem and haw and no one of them ever gave me a definition.

I used certain examples which, perhaps, were not fair. I said, "I have got a girl friend, a graduate of Vassar College, been out about three or four years. She was not very happy at home, stepmother, so she said to her father, 'I think I have got to go my way and live my own life.' And father said, 'All right.' 'How much are you going to allow me?' 'Well, you know I am a poor man. I appreciate the living conditions at home are not so easy; I will give you ten thousand dollars a year.' She said, 'Is that all?' He said, 'That is all; I am a stern parent.'

"So she went her own way on ten grand and she tried to get a job. She got a job with Delineator; she had no training -- she thought she was good -- and they fired her at the end of the month. Then she went to Vogue and Vogue fired her at the end of the month and now she is hanging around the night clubs saying, 'I belong to the great army of the unemployed and when the census taker comes around I am going to

tell him all about it. I am unemployed.' All right.

"Up in a place, a certain place I know, there is a fellow making fifteen hundred dollars a year. He has a daughter, twenty-eight years old and, looking at her, I would say that she will probably never marry. However, she was brought up to be a musician and she knows how to play a piano and does know the technique of music. She lives at home and during December, January, February and March she gives music lessons and makes enough out of those music lessons to go to Poughkeepsie and see the movies and buy a few ice cream sodas and so on. She is a nice girl, perfectly happy at home with Mama and Papa, and makes $250 a year in the winter months and that is all she wants to make. She has a happy home and she maintains herself as far as clothing and pin money go.

"A census taker went around the other day and said to Annabelle, 'Are you unemployed?' 'Sure, I am unemployed.'

"Of course she is not unemployed.

"All right; how about the carpenter back home? He gets twelve dollars a day and works an average of 125 days a year. Well, they are making about fifteen hundred dollars a year and these days, in the last few years, they have been making around an average of fifteen hundred dollars a year. They are not starving, not on relief, but during about -- well, probably a majority of the total days in the year, they aren't holding down a job because a carpenter's job, in most cases, is on a job-to-job basis or it is seasonal.

"You will always catch on any given date, the eighteenth of April or the twenty-eighth of April, you and I know that we always catch a third of the carpenters of the United States out of work and yet that third of the carpenters are not on relief and they are making enough to keep them off relief, although it is not as much as they ought to make.

"How about the army of wives? They go into the department stores right after Thanksgiving and stay through, right after the first of January. That is the Christmas season. They have been doing it for years. They sell goods. It is part of their scheme of life. The family is helped by the couple of hundred dollars they earn in the Christmas season.

"Around comes April. 'Are you unemployed?' 'Sure, I am unemployed.'"

In other words, this violent controversy among the columnists is probably a good thing. They use the usual language of columnists -- against each other this time -- and it was rather choice. (Laughter) Dorothy Thompson said some unladylike things about Hugh Johnson and he said some ungentlemanlike things about Dorothy Thompson. Fine; it is all right; I am all for it. (Laughter)

Now, no human being knows or will know how many unemployed people are in the United States until we all get together and define "unemployment." Nobody has had the wit yet in the newspaper world to bring that fact out. That is an absolute fact -- David Lawrence knows that. Nobody in the newspaper world has as yet demanded a definition of "unemployment." That is a very interesting and startling fact, so how the hell can I talk about unemployment until you fellows define it? Is that fair?

Q That is fair.

THE PRESIDENT: Well, the only thing I can do is this: I go back to the sample census that we took, that was taken by John Biggers, who is a grand person, two years ago. At that time -- these are very rough figures -- at that time we had about three million people on the relief rolls. Mind you, I am not talking about the unemployable unemployed, who were being taken care of in a fashion in the communities, the states, but the employable unemployed. We had about three million of them on

the Federal relief rolls. We had a waiting list of about three-quarters of a million. John Biggers' estimate was that there was another, as I remember it, two million or perhaps a little less, about one and three-quarters million, who ought to have work for economic reasons, who are not on relief, who are not on the waiting list of the relief organization, the work relief organization, but who ought to have work. There were somewhere, as I remember it, about one and three-quarters million people out of the total population, which Biggers totaled up, out of about five and a half million unemployed who can work and who ought to have work.

Well, that is, again, more or less of a generalization, although John Biggers' test questions were pretty sensible and gave, in effect, a pretty good definition of who an unemployed person was.

Probably, at the present time, we have put a substantial number of that five and three-quarters million people to work. We only have two million, one hundred thousand on the relief rolls now. We have, roughly, one million applicants. That brings it up to three million and my own guess is that in the John Biggers' category of people who were not on either of these lists, that there are about a million and a half, instead of what he had then, a million and three quarters.

Well, if you add all that together it would mean that in this country there are about four million, six or seven hundred thousand, as opposed to the Biggers' survey of two years ago of five million, seven hundred and fifty thousand.

Therefore -- this is just -- heavens, it has to be rule of thumb more or less -- I think probably we have decreased the needy unemployed numbers a little over a million people in the last two years.

Now, that is as fair and honest a statement as I can give you. Now,

of course I think it is criminal, literally criminal, for a free press to keep on printing figures about ten, eleven and twelve million unemployed in the United States without finding out the definition first.

What do you do? You take some figures from somebody's statistics or a political candidate or a labor organization and print them as fact without defining it. Now, the press is very largely guilty of doing that and thereby doing something that, just plain, is a bit of a fraud on the public.

Public Debt Limit: Well, I am trying to stay within it. I am trying to stay within it and, as you saw today on the relief proposition, I am still trying to stay within it. I am not saying what will happen after the first of July, 1941 and, well, maybe, as you all know, -- maybe -- maybe -- it may be somebody else's job and not mine. (Laughter)

And, finally, Taxation: There is nothing new on taxation that you have not had a year ago, literally. No new taxes have been added. A few so-called "unfair taxes" were lightened last session. There isn't anything substantially new on taxes except, perhaps, for one thing: I think we pay awfully light taxes in the United States, compared with any other nation in the world.

Now, I think that is the only comment that is necessary. Very light taxes, considering that we have a successful democratic form of government, considering the fact that our national defense program is adequate and not running an awful lot over the Budget and considering the blessings that we have at the present time without any guarantee as to whether those blessings are going to continue or not. I am no seer.

I think we are pretty well off.

I do not know, Don (Mr. Sterling), if there is anything else. I have covered all your subjects here. Now, if you want to start in, I

will give you this (the list) back. Got any more ideas?

Q (Mr. Sterling) I think some of the gentlemen would like to ask questions, Mr. President.

THE PRESIDENT: Fine, perfectly fine.

Q (Mr. Sterling) Mr. White, what have you got to ask this evening?

Q (Mr. William Allen White) Any questions that I would ask, I would hesitate to ask them because I would not know how to answer them. (Laughter)

Q (Mr. David Lawrence) May I suggest, if it is feasible, that you might tell the editors what is your appraisal of the condition of our Navy and our national defense in relative terms or in terms of three and four years ago. What have we done by way of preparation in the last two or three years?

THE PRESIDENT: Of course, when Dave Lawrence says that, he happens to strike on what might be called a sympathetic chord in my heart, going back to the old days of the war.

Our armament program is not caused in any way because I am a militarist. In fact, I do not think there was anybody in the United States who rejoiced more at the time of the Harding administration when Secretary of State (Charles Evans) Hughes put through the Disarmament Conference in Washington. I thought it was just one thousand per cent. I still believe it was a grand idea; but it did not work in the long run and I still think we were right in scrapping four major battleships that were on the way. I thought it was the right thing to do. It took courage on the part of Secretary of State Hughes to put that thing across and if a whole lot of other things had happened to click, as we had hoped they would, it might have worked out for the permanent benefit of the whole world. It was not any fault of the United States that it did not click; we had already agreed to stay out in every way from the League of Nations--

that was over the dam entirely -- and the subsequent events since 1921, the time of that conference, were not of our making, so that everything we have done since then, we have done at a very late date through sheer necessity. It was brought upon us by other nations.

Going back to when I came in here in March, 1933, we had practically not built a single warship. We had cut the Army down; we cut our reserves down; we cut our equipment down pretty steadily in the hope that the world would not rearm and it had become pretty evident at the time of the 1931 London Naval Conference that we were in a hopeless minority and the other people were going ahead. So, in 1933, we had to go ahead and, in a sense, catch up for lost time. We have been doing it on a pretty even, steady basis year after year since then. We haven't gone wild; we have built up the Army and built up the Navy on a reasonable, proportional increase each year so that today, quite aside from the number of men in the Army and Navy -- it costs money, of course, -- we are much better off on the material side, even relatively, than we have been at any time in my memory.

Now, of course, there is the silly, fool, old question of the pacifists: "Who are you trying to protect us against?" In other words, asking us the direct question, "Who is going to attack? What nation? Name it. Where? On our own coasts? South America, Central America, Hawaii, West Indies, et cetera?"

Well, I suppose the events in Europe of the past two weeks have answered that kind of a question. Which one of you would have said three weeks ago that the next attack is going to be the occupation of Denmark and the occupation of Norway? I think probably one of the greatest stories in American history is what happened a week ago Monday afternoon when the junior Senator from North Carolina got up on the

floor of the Senate and made a speech. He made that speech at 5.15 P. M.; the speech had been carefully prepared and given out to the press beforehand and I think a good many of you, if you will check, you will find that it had been set up with appropriate headlines to go into the next morning's papers. Bob Reynolds was telling the Senate that everything was all cockeyed with our American neutrality, and that if the United States would abandon the foreign policies of the President and Secretary of State and adopt the foreign policy of those great Scandinavian nations, Denmark and Norway, the country would be safe. (Laughter)

And he enlarged on it -- there were two or three columns -- and, as I say, probably a lot of you had it set up.

Well, at that particular time, 5.15 P. M. our time, Copenhagen was in the hands of the Germans and so was Oslo. He did not know it and neither did you people, but there is the fact.

Now, I can't answer the question. There is one man, one editor in this country, who has got a lot of courage. He does not use any arguments to support it but every Monday morning Cap (Captain) Patterson writes an editorial on national defense which ends with the words, "Two ships for one."

Well, if you come to analyze it, it does not make sense but there are a lot of good things which do not make sense. It is a slogan. Of course, we cannot have two ships for one over any individual navy or combination of navies against us. As I say, it is wholly illogical, but Cap Patterson's slogan, "Two ships for one," is something that makes American people think. Think what? Well, for one: What is American defense?

I am going to repeat something I said in the Cabinet meeting about three or four years ago. I said, "Suppose Alaska is attacked? Are we

going to defend it? It is a long ways off. Are we going to defend Alaska? The attack might come from a combination of powers on the other side of the ocean. I do not have to name names; you can readily imagine what a combination of Asiatic powers, including Siberia, might mean." The Cabinet was unanimous; "Sure; sure, the American flag is flying. That is a cinch, of course."

I said, "All right." I said, "Come on down the line: Canada attacked by a non-American nation, either Asiatic on British Columbia's side or European on the Atlantic side, or simultaneously by a landing in British Columbia and a landing on Nova Scotia?"

"Oh, we cannot have some European nation trying to land in Canada."

"All right." I said, "How about Mexico, on the other side?"

"Yes, of course we would have to defend Mexico against an European nation."

I cited the days of Andrew Johnson and General Sherman in 1865, when the French troops under Maximilian were in Mexico. I said, "How about Costa Rica?" Well, this is not derogatory to the Cabinet of the United States; probably you fellows would be, proportionately, just as ignorant. Somebody said, "Where is Costa Rica?" "Well," I said, "I am asking the question; I am not telling you where it is. Suppose the independence of Costa Rica were threatened?" "Well, I guess maybe we will have to defend it. Isn't it somewhere near the Canal?" I said, "Yes, the next state." "Well," they said, "I guess we will have to defend it."

"Well," I said, "how about Colombia?" Somebody in the Cabinet said, "Colombia? Colombia? Colombia, that is South America, isn't it?" (Laughter) Well, listen, there is just as much ignorance in this room, proportionately. It may be a laughing matter but, at the same time,

there is equal ignorance on the part of the public throughout the country.

"Well," they said, "if Colombia is near the Canal we will have to do it."

I said, "How about Venezuela?" "Well," they said, "that is a long ways off." I said, "Yes, in one of those new bombing planes you would be two hours and fifty minutes from Miami." They said, "What?" I said, "In one of those new bombing planes you would be two hours and fifty minutes from Miami and, of course, if they happened to take a base in Cuba, it would be a lot easier." "Well," they said, "if it is only two hours and fifty minutes from Miami, I guess we will have to protect Venezuela."

I said, "How about Brazil?" "That is a long way off." "Well," I said, "from Brazil to Venezuela is only about four and a half hours. You can fly right across." "Well, that is a long way off." I said, "Of course, Uruguay and Chile and Paraguay, they are a long way off." "Well, I don't know; I don't know." A big question mark. I said, "Oh, well, let us stick to the old question about the Monroe Doctrine in the Americas and," I said, "suppose an European nation, a nation which had at that time 5,000 planes which could fly from the Cape Verde Islands to Brazil" -- and we knew it, 5,000 bombing planes, do not have to name the nation, three years ago. They said, "Five thousand bombing planes?" I said, "Yes," They had printed it but not even the papers had commented on it. I said, "They could put 5,000 bombing planes into Brazil." I said, "Seven hours from the Cape Verde Islands and that is about fourteen hours from the home base in the European unmentioned country." That was three years ago.

"Well," they said, "I guess we will have to go the whole hog on the Monroe Doctrine." I said, "In other words we have to guarantee the safety of Brazil?" "Well, I guess so, because if they get a foothold,

they could stop at Venezuela and then they would be established within two and three-quarters hours from Miami."

And then, to one of them, who came from out Bill White's way, I said, "It is not very far from Costa Rica and from there to Mexico. Suppose there was a base in the Tampico region, I would rather live on the banks of the Hudson River, from the point of view of family safety, than I would in Kansas." And that, literally, is true. You (turning to Mr. William Allen White) would be nearer to danger than I would be on the banks of the Hudson River because the attack on me would have to come from somewhere out in the sea and big bombing planes could not be launched from out at sea, but from Tampico to the middle of Kansas is just a couple of hours' jaunt. You are in real danger and do not realize it.

I am trying to scare Bill; it is all right. But really, honestly, it is not a laughing matter.

Now, then, I went on in this meeting -- it is a very good example -- and I said, "We believe that the British Empire, to a certain extent, has stood more nearly for the democratic way of life and has been less trouble to us than some of these newfangled countries that believe in Naziism and Bolshevism, et cetera and, on the whole, Canada has been a pretty good neighbor to us and we have never had any threat against us by Bermuda or Jamaica or by any of the Windward or Leeward Islands. Ever since we got our freedom we have not had any trouble."

"Oh," this fellow said, "you are pro-British." I said, "No; I am not. I know they have never caused me any trouble as a neighbor and I have a hunch that one of these newfangled countries, with different kinds of government, might cause me trouble in my old age if they were my neighbors."

"Oh," said this fellow, "you are pro-British." "No," I said, "I have known the British ever since I was a small boy. I am onto their tricks; I know them, every one of them. I know them when they are trying to slip something over on me. One reason they like me is that when I catch them, I tell them. And they have got to the point now where they say, 'I guess I can't fool the President; he is onto us.'" Well, it is a good thing to be in that position. To go back, I said, "What about Australia? Suppose some non-white nation tried to take Australia?" "Well," said the Cabinet unanimously, "that is too damned far off for us to have any interest in that."

Well, that is three years ago. I do not know what would be the sentiment of the American people today. I made a very bad mistake in psychology a week ago. I do not suppose that any of us had ever given much thought to where Greenland was. Let us be honest; we never thought of Greenland in terms of the United States. I haven't. The Press came in the other day and asked me whether Greenland belongs in the Monroe Doctrine. I stalled. I told them that I had looked it up in the encyclopaedia and that the fauna of Greenland and the flora of Greenland were more American than they were European. They picked up the question and they asked me, they pressed it home, and I took a very righteous tone, saying that I am more interested in the humanities of it, in the 17,000 splendid Eskimos who are living in Greenland, than I am in the Monroe Doctrine, and I am still stalling. (Laughter)

Now, wait a minute. Where I went wrong is this: I did not think the American people would support me if I said that Greenland belongs in the Monroe Doctrine. But the American people are way out ahead of me and I think I am right in saying that most of the American people today, as most of you sense, would O. K. it if their Government said tomorrow

that Greenland is inside the Monroe Doctrine. They are ahead of their Government. Now, that is the actual fact.

Now, to go back to our Army and Navy: In one word -- I do not want the country to get excited over it -- we are using our facilities for the construction of ships, the construction of this, that or the other thing, without building up too large and unnecessary amount of productive facilities. If we are going to have peace at the end of this war, there will be a lot of this new airplane factory work that will have to be discarded. But, taking it by and large, we have been proceeding -- ships, Army, aircraft -- along pretty sound financial and economic lines and, incidentally, we have helped our own cause, in case we are attacked, by building up our facilities very largely through the efforts of the present belligerents.

I think that covers it pretty well. I have talked an awful lot about national defense -- it is a hobby.

Q Mr. President, will you tell us something about what your thoughts might be on any likelihood that we might find ourselves with many new ships, near completed, that are made archaic because of new warfare methods?

THE PRESIDENT: No, because everybody else would be in the same boat. In other words, if somebody comes along and devises something absolutely revolutionary, all nations will be caught with obsolete material in equal measure. That is the easiest way of putting it and, incidentally, nobody in all of history has ever devised a revolutionary weapon of attack that has not been met within a very short time by a revolutionary weapon of defense. It always compensates.

Q Mr. President, have you seen, perhaps, a summary or transcript of the conference we had with Mr. Welles (the Under Secretary of State) this afternoon? I asked because I thought there may have been something in that

on which you might care to enlarge.

THE PRESIDENT: I do not think so; I do not know what he said.

Q I thought there might be something on which you would care to talk.

THE PRESIDENT: The only thing -- I do not know whether he mentioned it or not -- going back to what I first said on the world situation, I think every man, woman and child ought to ask themselves the question "What is going to happen to the United States if dictatorship wins in Europe and the Far East?" In other words, what would be the logical steps taken by that kind of victorious cause? In other words, what would you or I do if our name happened to be Hitler or Stalin? What would we do, having the same kind of background that they have got? It is almost human to want to extend victory over Europe, isn't it? Wouldn't you or I, as victorious Hitlers, want to extend? It is natural.

When Napoleon started out, he had no idea of dominating all of Europe. When Alexander started out across from Macedonia, he did not think he was going to try to conquer Persia. The thing grows, as the French say. If you and I were Hitler, isn't it just common sense to say that, having conquered Europe and destroyed the British Fleet and the French Army, and having no opposition, and being in a position to attack all the British colonies and commonwealth and dominions and to capture all the French colonies all over the different hemispheres, well, what would you or I do next? That is a fair question -- your or I in the position of Hitler? Why leave an entire continent, North, Central and South America, absolutely all alone? Why would we do it? We are within one "yump" of world domination. Why not take the "yump" and why not say to the United States, "Now, son, go back and get behind that nice wall which you have not built up and which we are about to build up around you."

Now, that is a different concept. That is not your isolationist's

concept over here, because he wants to build a wall around himself and we have not let him. I am speaking about the Hitler concept and he would have, probably, from the point of view of physical force and a certain amount of, what shall I say? misguided common sense -- and you and I in his place would do the same thing -- built a wall around the United States.

Well, it would not be a very difficult thing to do it. Why? Here is a very simple example: We are all Hitler, a conglomerate crowd, constituting itself into a victorious Hitler. What would we do as a mass Hitler mind? I know what we would do. We would say to the Argentines, "Listen, sweetness, you people are dependent for your existence on selling cattle to Europe. The United States won't buy them." You know that. They won't buy Argentine cattle. I do not have to tell you why and, of course, it is not just this year but we never will. Right?

"The United States won't buy your mutton or sheep -- they never will. They won't buy your wheat because they have a surplus supply. They won't buy your corn or hogs because they have a surplus supply. So, sweetness, isn't it obvious that you are dependent for your existence on those agricultural crops, on selling them in Europe?"

And Argentine would say, "Yes, my God, I guess that is right."

All right. So we, in that conglomerate part, will say, "Now Mr. Argentine, we will let you sell to England and France and Italy and Germany and Scandinavia and the Balkans through the -- what will we call it? -- the Germania Corporation. You cannot sell it anywhere, not even in Ireland, except through the Germania Corporation."

Well, the Germania Corporation hasn't any foreign exchange because the United States has got all that -- they have all the gold in the world.

"Well, what is foreign exchange based on? Gold? Well, that is out

of date. We will devise a barter basis for you and we will tell you how much of your cattle and your sheep and corn and your wheat you can sell to England and Belgium and Hungary and Sweden, Italy. The Germania Corporation will tell you how much you can sell to each of those countries and they will tell you what the Germania Corporation will pay you in automobiles, cheap automobiles, cheaper than the Ford or any car that the United States will produce. It will give labor -- put people to work all over Europe and we will pay you in pulp, in paper, we will pay you in steel products, we will pay you in chinaware, tinware, everything else that you do not make yourselves. But we will decide what the medium of payment will be and we will collect a two-way commission, one per cent of raw products coming in and one per cent on our manufactured products going out."

Now, that is what we would do if we had any intelligence and I think most people in America, including editors, have some intelligence.

And then, where will the United States be? We could not trade with Europe.

Well, suppose the same thing happened out in the Far East? Suppose the Yangtze remains permanently closed to American products, the China Treaty ports, Cochin-China, Hong Kong, Siam, the Straits Settlements, the Dutch Indies?

Well, if we want to live within ourselves, we had better say so and say so darned quick because it is going to take a lot of preparation to live within ourselves.

It is all right; if the United States wants to, it has a perfect right to do so. So, watch out; watch out.

Q It is a sort of international two per cent club? (Laughter)

THE PRESIDENT: Right; right. Only -- only in this case we cannot even indict them.

Q When we were here last year you told us there would be a fifty-fifty chance that there would be a war. Events proved that you were conservative.

THE PRESIDENT: Right. Listen, I am a master of understatement and always have been.

Q Will you answer this: You also told us that if, as I remember it, if Russia joined in with the Allies, or, rather, joined in with Germany, considering Germany's overwhelming mastery of the air, if Russia joined with Germany, the chances were fifty-fifty that Germany would win. Do you want to change your odds?

THE PRESIDENT: I am still offering the odds and you can take either side.

Q Inasmuch as all law and order depend upon force -- even the traffic signals here on the corner depend on the ultimate use of force -- can you envisage a world of international order in which there would be an economic revival of peace and prosperity, in which the United States would refuse to contribute any of the force?

THE PRESIDENT: I think your premise is wrong in the implication of it. In other words, I think I can envisage a world of peace for as far as I can look ahead -- twenty years, twenty-five years. I do not pretend to have any idea of what will happen after that. I have talked very often with a very great friend, as I was, of Woodrow Wilson -- David Lawrence -- and we have talked about the idealism of those days, and I think most of us believe in the inherent sincerity of Woodrow Wilson in his effort to bring about an end to war. But he was looking too far ahead; he was looking toward the permanent ending of war. Well, because of hindsight, because we have seen what happened in the last twenty years, we have all learned a lesson, and I cannot look any more further ahead to a world that has ended war than a limited period, twenty or twenty-five years.

Q Mr. President --

THE PRESIDENT (interposing): Can I finish the sentence? And, back of it all, is this idea that force, armed force, is in the long run the thing that people are afraid of and, therefore, in any twenty or twenty-five-year peace, the elimination of the fear of aggression by the forces of aggression, offensive weapons of war, is the first consideration and, that at the end of this particular war, there may be a period of exhaustion when people will say, "Let us get rid of the offensive weapons."

Now, the European victors of the World War did that, in effect, with Germany through the Treaty of Versailles. They told Germany that she could not arm, that she could not have certain weapons, but there were no effective methods by which that could be enforced through the period of years. We all knew that Germany was rearming and the European nations could not decide what to do through 1930, 1931, '32, '33, '34 and '35, and so on, to prevent Germany from rearming.

Now, I conceive this -- I may be entirely wild and it will only come about through a period of exhaustion -- that the twenty-one American republics have got a possible role to play and that is to act as the inspectors of a disarmed truce -- a disarmed peace. The aggressor nations in Europe and in the Far East can be inspected. They won't trust each other to inspect each other. We people over here are pretty well trusted by them because we are not aggressors, and I am just thinking out loud, but there is a possibility, after this whole thing is over -- it may be four or five years, Lord knows -- we will be able to fill the role of inspectors of peace and, automatically, have some method of punishment of violators and of disarming them before they get to the point of being dangerous to other nations.

Now, that is just a thought that I am throwing out; it is chimerical at the present time.

Q I am very much interested in what you said about Greenland. I wonder if everyone here is cognizant of the very, very important thing that Greenland presents to us right now? There is a matter -- I am getting into a new role here by being a member of this organization; I am a member of Congress -- and that has to do with the taking over of Greenland by the United States. The person who proposed it said to me yesterday -- Mrs. Rogers of Massachusetts -- that she wondered if we were going to let that go. Undoubtedly, under the very strict construction of the Monroe Doctrine, Greenland comes in under that Doctrine. I am also very much, seriously, very much disturbed as to whether Canada comes into that.

THE PRESIDENT: I settled that two years ago -- three years ago. (Laughter)

Q I know you did but, under the Monroe Doctrine, a very strict construction, Canada does not come in. That is a difference of opinion but it seems that is the way. If Greenland does, we have a serious proposition right now. Is Greenland a part of Denmark or, under the present situation, is she a part of Germany? Denmark, having been occupied by Germany and having been taken over by the German Government, is she (Greenland) a part of Denmark or is she not? That is a very serious question.

THE PRESIDENT: Let me answer it this way: If you have ever followed the proceedings in a domestic relations court, you will probably realize that the first time that the husband and wife come before you it is not necessary to make a final decision. (Laughter)

Q In your early remarks you complimented us as editors before questioning our intelligence --

THE PRESIDENT (interposing): I was questioning my own just as much. It is all right.

Q You said we could interpret dispatches as easily as the Administration, or words to that effect. I wonder if you or anyone in the Administration

or any of the editors here read that dispatch in the Washington Evening Star the evening before last, which said that the Norwegian Government had broadcast last Monday to all the Norwegian ships at sea and in ports, a warning to disregard instructions coming from their owners in German-occupied Oslo. And here is the direct quote:

"'Telegrams --'"

quoting the Norwegian Government --

"'-- telegrams which you receive from Norway signed by the owners are dispatched by German authorities,' the warning said. 'Orders received from the Norwegian Legation (in Washington, D. C.) or broadcast over the British broadcasting station are authentic.'"

How do we interpret that dispatch, that Washington is being used as a distributing point by a belligerent nation? How do we interpret that fact?

THE PRESIDENT: Well, let me put it this way: Suppose you are a Norwegian citizen and suppose your country has been raped, and I use the word advisedly. You have a lot of property out on the high seas and you are still a loyal Norwegian. Would you think it was an awfully friendly act on the part of a friendly nation if the President of that nation said, "I am going to enforce the pound of flesh, the letter of the law, and tell the Norwegian Minister he has no right to open his mouth about your ships while he remains in Washington, D. C.?"

Q Merchant ships.

Q Do you recall the unpleasantness over a man named Bernstorff who used the Embassy (the German Embassy) as a clearinghouse for belligerent messages when we were neutral? (Laughter, indicating that the President need not answer the query)

Q Would it be fair to ask if you have been receiving of late any unpleasant communications from any particular group with respect to the mission to

which you assigned Melville (Myron) Taylor?

THE PRESIDENT: Not lately. I did so, up to about a month ago. And here is one thing I think will probably interest you, but again, it has got to be kept awfully dark, completely off the record, because it is still in the very preliminary stages.

I felt all along that practically everybody in the world who believes in God -- lots of different kinds of gods -- the faith and teachings of the major religions of the world are opposed to murder and robbery and sudden death and a few things of that kind and, therefore, that in order to mobilize the moral forces of the world, which are not all Christian, it was worth while to extend that effort to other forms of religion. Well, the first and obvious thing to do was to get in touch -- communication is the better word -- with the heads of those religions. Well, of course here in this country it is comparatively simple. I can get hold of the Federal Council of Churches, or any other Protestant church that does not belong to the Council, by the mere sending of a telegram. It is easy to establish communication. In the case of the Jewish Church, there are a number of leading Jews who can rather effectively speak for not all but a great majority of the Jews in this country by coming down to Washington to see me. In the case of the Roman Catholic Church, there isn't any one person -- I have to talk to the head of that church, who lives in Italy, and therefore I have sent someone over there to be my communicating agent with him over there, rather than recognizing, in this country, the apostolic delegate here in Washington, because that might be construed as a diplomatic full recognition of the Templar [temporal ?] Power.

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But that is only a prelude. I am taking up at the present time -- I am trying to work out the idea of establishing a moral communication, practically, with the Greek Orthodox Church. Well, that is a little bit

difficult. Why? Well, because there isn't any canonical head. There are a number of patriarchs in different parts, around the Aegean and up in the Black Sea area in Russia. I discovered a couple of days ago that this patriarch, the senior patriarch, that he lives in Constantinople, not Istanbul. Well, that is more a venerable (?) rather than a canonical headship of the Greek Orthodox Church, which, incidentally, still maintains quite a lot of influence in the moral religion throughout the Soviet Republic.

So, I am probably -- as I say, this has to be kept dark, although it is an awful lot of people to expect to keep it dark -- so I am going to probably send some kind of a representative of mine to talk with the senior patriarch of the Greek Orthodox Church.

That is No. 1, outside of what we have done already.

The Mohammedan Church we are very apt to think of as being represented by the scimitar. It is quite a long time since the Mohammedan Church went to war as a church, and I am trying to carry out a step of getting in touch, probably through the King of the Hejaz or through President Inonu of Turkey, with the leaders of the Mohammedan Church, which extends, of course, not only over Northern Africa and Asia Minor and the Near East, but also down into India and has several hundred million followers.

Mind you, as I say, I have not got to the point of actually appointing somebody yet but it is coming along pretty well and I think that when American Christians get to understand that this is a worthy move for internationally decent moral relations among people that believe in certain religious teachings on morality, there isn't going to be much local trouble.

Q I was very much interested in your statement about Greenland, especially

as it applied to the public opinion in this country. I wondered if you have any opinion to express which would be of interest to us, if you agree with me that two beliefs we have today are, perhaps, contradictory? On the one hand, I believe that the majority of the American people are firmly sold on the idea that we should stay out of this conflict. On the other hand, I also believe that the majority of people -- and I will confine that to my own section of the country -- are convinced that we have a very definite stake in this conflict.

Now, is it possible that we can overemphasize the first to the point where we will weaken our position with regard to the second and will not be prepared to take steps which would be very right in protecting our position in the latter?

THE PRESIDENT: Well, of course on that we have to look at the realism of the case.

It is a great deal easier -- I am not including Canada, which is a belligerent -- but our most northerly ports that we could use for the protection or the relief of people in Greenland, it is a lot longer voyage to go to Greenland from there than it is, perhaps, from the Norwegian Coast. Therefore, you have got to think in terms of practicality. Furthermore, there are a lot of things that we have been accustomed to devise, new instrumentalities. For example, we have in civil life the theory of trusteeship, in other words the person who takes over, for the benefit of cestuique trust, takes over their property, looks after their education, looks after their physical needs, builds up their estate and protects them against accident or attack for no remuneration, no profit. That is a new conception of relations between a great powerful nation, like ours, and a very, very small, new and rough country, 17,000 people, like Greenland. I am thinking a little bit at the present

time in terms of trusteeship. It is a little too early to tell. We have got to be practical. I am not going to stick my neck out.

Q Has the antagonistic pressure regarding J. Edgar Hoover in the FBI assumed any serious proportions?

THE PRESIDENT: I do not think so; I had not noticed any.

Q Any basis for those charges, Mr. President?

THE PRESIDENT: Well, I do not believe so. Of course the thing started, as you know, from Rhode Island and was directed originally by the FBI and then it turned out that Bill Vanderbilt, an old friend of mine, the Governor of Rhode Island, was the fellow who had had the people do the wire tapping. Of course, in any big organization there may be some fellow -- well, I will give you an illustration that I just got late this afternoon: Down in Georgia some of the SEC people received complaints about the Georgia Power Company giving corporate funds to help reelect Senator George two years ago and, like all complaints in the Government, you cannot say, "Forget it." They sent some people down there and one of these bright young men who went down there in two instances asked people who they had voted for in 1938, as if that made any difference whatsoever. Now the SEC is going to fire that bright young man. As you know, in your own business sometimes you get a fellow who does something that he ought not to do and you get rid of him. I have no doubt that in a far-flung organization like the FBI there may be one or two investigators who exceed their orders. It does not mean the whole thing is crooked.

Q Will the NLRB be allowed to fire that man? (Laughter) (The questioner had evidently meant to ask, "Will the NLRB allow them to fire that man?")

THE PRESIDENT: Well, I suppose he comes under the Hatch Act anyway.

MR. DON STERLING: Mr. President, we have overstayed the time that you asked us to remain. I just want to thank you on behalf of the entire group.

And, as I have lost my prophet's license, I will not venture at this moment advance request of our 1941 conference with you. But whatever the future may hold, you have our gratitude and good wishes.

THE PRESIDENT: It is good of you and perhaps next year I might buy the Rhinebeck Gazette and come down here as one of you.

CONFIDENTIAL
Press Conference #637
Held while the President was seated in his automobile
On the road in front of the Veeder (Press) Cottage,
At Georgia Warm Springs Foundation, Warm Springs, Georgia.
April 21, 1940, 11.15 A. M.

THE PRESIDENT: I hope you know more than I do; that is not saying much.

Q Very little news here.

THE PRESIDENT: Absolutely none; I don't know a thing.

Q Mr. President, is Mackenzie King coming down?

THE PRESIDENT: He is coming. He is leaving wherever he is leaving and he will be here in the morning and stay until the next afternoon.

Nothing particular about it. He always comes and sees me every time he takes his spring holiday.

Q Mr. President, I have --

THE PRESIDENT (interposing): What have they given you, George (Mr. Durno)?

Q (Mr. Durno) -- gotten a report that the United States Military Attache from Norway was killed.

THE PRESIDENT: We got that too. There is nothing more you can say. It was most unfortunate. He was, of course, acting in the performance of duty.

When did you get here (looking at Mr. Lauchlin Currie)?

Q Mr. President, we were somewhat intrigued by the presence of Mr. Currie, the big figure man. Are you planning any Budget work?

THE PRESIDENT: No, not Budget work. Probably will talk that old science called economics. It means everything and nothing.

Q Will Mackenzie King stay at the cottage?

THE PRESIDENT: Yes.

Q Do you plan to see any of the Georgia people -- have you any appointments?

THE PRESIDENT: No; I have not got a single appointment. I am just playing.

Q What was the reaction to your speech?

THE PRESIDENT: Well, I saw a bunch of telegrams; very nice. So far a hundred per cent approval.

Q Who was that Republican aspirant for the Presidency? (Laughter)

THE PRESIDENT: Ask your office. (Laughter)

Q We answered that right here, Mr. President.

THE PRESIDENT: I think that is a perfectly good line -- ask your office. It is all right.

Q How long are you planning to stay, Mr. President?

THE PRESIDENT: Well, I hope, if nothing breaks, to stay until Friday or Saturday.

Q Can you tell us what you said to Pat Harrison?

THE PRESIDENT: No. All I told Pat was -- oh, I don't know -- you have not very much today, have you? Here is just one of those purely tentative things, that if the European situation permits and if Congress goes home -- this is awfully "iffy" -- I may go out to the -- you heard part of this before -- go out to the Coast, if Congress adjourns about the end of the first week in June. And, if I go to the Coast, I hope to go first -- this is really carrying out last year's plan which never came off -- go down and dedicate, open the Great Smoky Mountain National Park and then go from there through Mississippi --

Q (interposing) How about Birmingham, Alabama?

THE PRESIDENT: I would miss that because it is not on the route and you know I have got to make time -- and either in the State of Mississippi, either have some kind of a ceremony to dedicate what has been done on the Natchez Trace, which is up in Northern Mississippi, or go to Natchez itself, which I have never been to.

Q You have not?

THE PRESIDENT: I have never been to Natchez and always wanted to go there.

And then I will go on from there to Fort Worth, Texas, to see Elliott and the family. And then, from there on to California and dedicate our newest National Park, King's Canyon, and then from there up to the long-delayed visit to the San Francisco Exposition, and then go on and up to No. 3, the Olympic National Park, which has to be dedicated.

Q You are going to have a weary bunch of correspondents.

THE PRESIDENT: And it is going to be one of them trips. There is one thing on those western trips -- sometimes you get a whole twenty-four hours when you are not stopping.

Q That would mean that you would be on the road during the Republican National Convention?

THE PRESIDENT: It might mean I will be in a National Park. (Laughter)

Q No speeches?

THE PRESIDENT: Only on conservation.

Q On what? (Laughter)

Q It is a non-political trip?

THE PRESIDENT: Oh, entirely. The principal subject will be conservation.

Q Any possibility of Alaska on that trip?

THE PRESIDENT: Well, it would depend a little bit. If I got very much interested in conservation, I might do what I planned to do last year, go up to Juneau and back.

Q We would like to see the LANGLEY again. (Laughter)

Q Provided it does not bounce.

Q You could bring in the Philippines?

THE PRESIDENT: He does not even know where they are and they are not far from the Celebes -- quite close and if you keep on going you get to the Andaman. Get an atlas.

Q How long will these trips take?

THE PRESIDENT: Twenty-one days, that is about all.

Q Starting right after Congress adjourns, if it gets through?

THE PRESIDENT: I would probably stay for a few days to get the bills because there are always a lot of bills that come in. Of course this is terribly "iffy" because I cannot tell what will happen in Europe and cannot tell what will happen with Congress.

Q On the subject of travel plans, do you expect to be in Hyde Park on May fifth?

THE PRESIDENT: I do not know. I am going up there the first chance I get to see the trees.

Q Why don't you bring your mother (to Warm Springs)? I thought she would be here.

THE PRESIDENT: You see this trip was so indefinite that I could not tell until the last minute.

Q Bring her next time.

THE PRESIDENT: Yes.

Q Thank you, Mr. President.

THE PRESIDENT: That will give you enough.

CONFIDENTIAL
Press Conference #638,
Held while the President was seated in his automobile
On the road in front of the Veeder (Press) Cottage,
At Georgia Warm Springs Foundation, Warm Springs, Georgia
April 26, 1940, 11.40 A. M.

THE PRESIDENT: I want to know who sent me that message last night. (Laughter)

MR. BASIL O'CONNOR: Remember that two-spade bid? I figured it out this morning and that is 2,000 points.

Q Just a cup of coffee.

MR. O'CONNOR: Throw in a ham sandwich too.

THE PRESIDENT: I do not know where the message came from, but I got it all right. I do not know whether it came from the Goats' Nest or Cottage No. 2. It was a quarter past three this morning -- a petition from the Press that I should go out this afternoon and see Pine Mountain Valley.

Q There is a traitor in our ranks.

THE PRESIDENT: There you are, a quarter past three in the morning too. There was nothing I could do. I said, "All right." This morning, while the others were sleeping, I arranged to go to Pine Mountain Valley at two o'clock.

Q We can't take Pine Mountain Valley and Lake Crescent in the same week.

THE PRESIDENT: I am going over there, going to meet Tap Bennett and I am taking Doc (Basil O'Connor) and taking Missy. You do not have to go because there won't be any news. I am going to drive through.

Q Any little girls singing?

THE PRESIDENT: No.

Q No Jack Frost?

THE PRESIDENT: You did not ask for it last night and so I did not arrange it. I am just going to drive over and talk and drive through.

Q How far is it over there?

THE PRESIDENT: Well, it depends on who you talk to.

Q It is about seven and a half (dollars) on the expense account. (Laughter)

Q That is the reason I was inquiring.

THE PRESIDENT: Ask some of the old-timers, like George (Mr. Durno.) He knows how far.

Q All the roads are good now.

THE PRESIDENT: All except the first part along the mountain here and I think the last part is dusty too. (Laughter)

Q When do you plan to go home?

THE PRESIDENT: Outside of that I do not know any news except we leave sometime tomorrow and get to Washington Sunday morning.

Q Have you any afterthoughts on the neutrality Proclamation?

THE PRESIDENT: No, no; it told the story.

Q Has Norway declared war against Germany?

THE PRESIDENT: I don't know; I don't know. I mean officially and formally, I do not know what their formalities are, whether they have to have a meeting of the Storting and things of that kind. It is impossible to answer that question.

Q Any comment on the Georgia action yesterday on the delegation to the Convention?

THE PRESIDENT: Only what I read in the Constitution (Atlanta Constitution) this morning.

Q You do not plan to stop anywhere on the way back?

THE PRESIDENT: No, I have got to go right back.

Q It is some time since you received that report from Jackson (Attorney General Jackson) on the marine oil situation in California. Have you gone through it yet?

THE PRESIDENT: I have not got it. I thought I brought it but it is not in the basket. I will have to dig it up when I get back.

Q That is fortunate. (Laughter)

THE PRESIDENT: That is lucky, isn't it?

Q Have you received any word from Washington of any consequence that you could tell us about?

THE PRESIDENT: Nothing that you haven't got already. I got the usual message from Steve (Mr. Early) this morning. I have not talked to anybody on the telephone. I probably will, after lunch.

MR. BELAIR: Thank you, Mr. President.

THE PRESIDENT: Who is in the (golf) finals, by the way?

Q (Mr. Durno) Tommy Thompson and Charlie Daly play and the winner of that match I suspect will play Al Waldron.

Q (Mr. Reynolds) I do not like that guy Durno. He (Mr. Waldron) has to get over Reynolds first.

THE PRESIDENT: When are they going to have the finals?

Q (Mr. Trohan) Did you see the rules?

THE PRESIDENT: No.

Q (Mr. Trohan) The driver of the car bearing the initials "F. D. R." will keep off the course during the tournament for the good of the players.

THE PRESIDENT: Really?

Q (Mr. Durno) That is the rule.

THE PRESIDENT: Who did I fuss?

Q Several players.

Q Hacky principally, I think.

MR. O'CONNOR: How do you feel this morning?

Q (Mr. Durno) Fine; how do you feel?

MR. O'CONNOR: All right.

THE PRESIDENT: All right parenthesis.

MR. O'CONNOR: Do you remember that two-spade bid I doubled, fellows?

Q (Mr. Durno) Well, I have no complaints; come back again.

THE PRESIDENT: I really don't think there is going to be any story. I recommend that none of you go. You can, if you want to.

Q There aren't going to be any special guests?

THE PRESIDENT: I am going over the mountain, drive down and come back.

Q We will all go if we can get Jack Frost.

Q Does that recommendation include the photographers?

THE PRESIDENT: You fellows haven't been over there for some time.

Q Oh, yes, we have. (Laughter)

THE PRESIDENT: Send one man to take the pictures for everybody.

MR. BELAIR: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #639
Executive Offices of the White House,
April 30, 1940, 4.08 P. M.

THE PRESIDENT: Earl (Mr. Godwin), you look awfully glum today. What is it?

Q (Mr. Godwin) Got a cold; I should not be near you.

THE PRESIDENT: Give him a respirator.

Well, don't you think they came in good shape from Warm Springs?

Q Perfect health.

THE PRESIDENT: Perfectly grand.

Q Your new Commissioner is going to deliver a patriotic speech right down back of here tomorrow afternoon.

THE PRESIDENT: No! At the Washington Monument?

Q Somewhere down there. Massing of colors and he is going to give them old 18 or 19.

THE PRESIDENT: Say, I think I will go down. It will be more fun. I will just park the car at the curb.

Q I see where your wife had him (in her Press Conference) this morning.

THE PRESIDENT: I told her to. He might just as well accept his new responsibilities. It is all right.

(General discussion -- off the record.)

Q Did you get out for a ride this afternoon?

THE PRESIDENT: Yes; I went out for an hour.

MR. DONALDSON: All in.

THE PRESIDENT: Silence, please; Mr. Godwin wishes to ask a question. I do not know whether he does or not. Do you?

MR. GODWIN: No, sir.

THE PRESIDENT: All right. Next.

Q Mr. President, is a modification contemplated of the Civil Aeronautics Authority Order?

THE PRESIDENT: Is a what?

Q A modification contemplated of the Civil Aeronautics Authority Order. Are you considering a modification of that?

THE PRESIDENT: No, of course not.

Q There has been a good deal of agitation over it.

THE PRESIDENT: Yes, so much so that I got Steve (Mr. Early) and one or two others to prepare a statement which he can give you afterwards. It is perfectly polite but it has implications.

(Reading)"Since the transmittal of Reorganization Plans Nos. III and IV a flood of misinformation has engulfed those sections dealing with the Civil Aeronautics Authority. Much of this has fallen of its own absurdity and needs no comment. This morning, however, we saw a group of well-intentioned people --"

Mind you, that is a frightfully polite phrase.

"staking out an exclusive claim to a so-called "lobby to save lives."

Of course that sort of thing, all that sort of misinformation -- this is not in the statement -- but, obviously, it comes from one of three sources, whether it is lobbying or in Congress or in the press or special writers -- it comes from three things, either ignorance or gullibility or politics. It is rather an interesting analysis that, I think. Those three things are the source of most of our public troubles, ignorance, gullibility or politics. Luckily, the people of the country are more or less onto that fact. I think this is the first time it has been put in words.

Q What is the distinction, Mr. President, between gullibility and politics?

(Laughter)

THE PRESIDENT: I think there is all the distinction in the world. Ask around the press room. They will tell you.

"The implication that we are not interested in saving lives, which is certainly contradicted by the record of our progress in civil aviation during recent years, compels me to restate in simple terms the basic features of the reorganization plans affecting the Civil Aeronautics Authority.

"I might say here that everybody is for the abstract idea of reorganization in the interest of increased efficiency and economy. However, there is a rather discouraging collapse of enthusiasm when concrete proposals are made. In selfish protection of their own special interests we always find particular groups who hitherto favored reorganization arising in protest.

"As it now stands, there are three agencies --"

I have just read one of the afternoon papers that said we now have a centralized control over aeronautics. Of course, it is not at all.

"-- three agencies -- the Civil Aeronautics five-member Authority, the Administrator, and the Air Safety Board -- all autonomous groups, none of them represented at the Cabinet table. The inherent problems confronting them were intensified by friction, particularly within the Air Safety Board."

I do not have to go into that, you all know it.

"For five months the Administrative Management Division of the Budget bureau made a study at my request of the operation of the Authority. It became obvious that a change was imperative if we were to continue to move forward in civil aviation. Here, in simple summary, is the proposal:

"1. Despite handicaps, the federal program for civil aeronautics has now achieved a stature and an importance which justify bringing this program more closely into the federal family."

And, incidentally, probably, as those of you who have read the Constitution know, the President is, unfortunately for my own peace of mind, the Executive. In other words, there cannot be any executives except those that are responsible under the Constitution, through the President, to the country.

"The proposal will place it within the framework of the Department of Commerce where it will have a closer relationship with the important reporting services --"

Other services which are tied in definitely with aeronautics.

"-- of the Weather Bureau --"

Which, of course, is extremely important for the safety of life.

> "-- and the essential air navigation chart service of the Coast and Geodetic Survey."

Mind you, nobody ever thought of that until this came up. You see, these are all tied together, the Coast and Geodetic Services and the Weather Services.

> "More than that it will provide representation at the Cabinet table for a program of basic significance to our national transportation and our national defense. Present world conditions make the merit of this phase of the proposal obvious.
>
> "2. The present five-member Authority which has received such widespread praise remains as an INDEPENDENT Civil Aeronautics Board performing the basic regulatory functions. It will continue to appoint and control its own personnel and submit its own budget.
>
> "3. Certain of the Authority's functions are transferred to the Administrator --"

Because they are purely administrative --

> "-- to eliminate a blind spot created by the failure of the Civil Aeronautics Act of 1938 to carry out the intention of Congress to distinguish clearly between the functions of the Administrator and the Authority."

There are an awful lot of headaches because the language of the bill as drawn did not carry out the intent of the Congress.

> "4. The function of investigating accidents is transferred to the Civil Aeronautics Board which, unlike the present Air Safety Board, will not be helpless --"

But has an entirely separate entity within it, as I said the other day, the Bureau --

> "-- to take positive steps toward preventing the recurrence of accidents. Unlike the Air Safety Board, the Civil Aeronautics Board will have the power to prescribe air safety rules, regulations, and standards, and to suspend or revoke certificates after hearing. Not only does this continue the present independence of accident investigation, but it also makes possible prompt translation of findings into corrective action.
>
> "5. Not only are we advancing the cause of air safety by these changes but we will also realize appreciable savings. Several highly paid positions on the Air Safety Board will be eliminated and other economies made possible."

At the same time the personnel will be kept, of course, substantially the same.

Q Mr. President, when the bill, the Civil Aeronautics Bill, was passed there was a great deal of talk that the old board was the lawmaker, judge and jury. Now, is this not a return to that situation?

THE PRESIDENT: No. just the other way around.

Q I thought you said they make the regulations and then they investigate --

THE PRESIDENT:(interposing) No, the Board has regulatory functions, the five-man board --

Q (interposing) Makes the rules?

THE PRESIDENT: Makes the rules. It can also investigate an accident and make rules to prevent it from happening again, but the administrative end is now put under an administrator.

Q What does he do in that case? I remember in the Bronson Cutting death, in that accident there were objections because the old board was making the rules, enforcing them and then, when anything went wrong, it investigated itself.

THE PRESIDENT: I know, because they are investigating at the present time. You have three investigatory bodies covering accidents. You have the CAA, you have the Air Safety Board when you have an accident, and the National Advisory [Committee] Commission for Aeronautics, three different groups. Here you have two different groups.

Q The CAA makes the rules and the Safety Board, which is independent, makes its investigation --

THE PRESIDENT (interposing): And recommends the rules, which is exactly as they do now. It is an entirely separate bureau, a separate thing, and the CAA, as such, hereafter will not investigate the accidents.

Q Who will?

AcB 4-23-56

THE PRESIDENT: Their bureau, the Air Safety Board minus those three people at the top who were fighting each other all day long.

Q Now we are getting the real --

THE PRESIDENT (interposing): Yes. They will do the investigating and the CAA won't. Then they make, as they do today, recommendations for new rules.

Q Will not this group be under an Assistant Secretary of Commerce?

THE PRESIDENT: No, no; they are independent. They report to the President through the Secretary of Commerce.

Q They report to the Secretary?

THE PRESIDENT: They report to the President through the Secretary of Commerce. They won't report to the Secretary of Commerce. They will report to the President through the Secretary of Commerce, which is a different thing.

Q Have they been reporting directly?

THE PRESIDENT: Yes, but they have forty-five people at the present time reporting. If I had eight or ten or fifteen people it would be a lot easier. As you probably know, I spend more time than any President within the memory of man in reading these reports and getting them from forty-five different agencies. It is impossible; most people could not do it.

Q (somewhat inaudible) Well, this particular agency had forty-five -- (Laughter)

THE PRESIDENT: Sure, that is right.

Q Do you know anybody else that can do it? (Laughter)

Q (Mr. Godwin, who spoke simultaneously with the President, and whose question, therefore, passed unnoticed) Who are you cutting it down for?

THE PRESIDENT: I am afraid most people would die under the strain or, as

some people in the past have done, they just would not do it.

Q Mr. President, can you tell us anything yet about the First Circuit Court of Appeals Department?

THE PRESIDENT: No, not yet. They are still looking into it.

Q Will you comment on the suggestion at the Capitol that --

THE PRESIDENT (interposing): On what?

Q -- that the 75 per cent requirement -- limitation -- for payments under the farm parity program be eliminated and it be made 100 per cent instead?

THE PRESIDENT: I cannot because the thing is in conference and I am not familiar with what is going on every day on it. I do not know what the present status is.

Q Anything you can tell us about your conference with Senator Guffey?

THE PRESIDENT: He just came in to tell me the good news that he had carried the primaries in the State of Pennsylvania.

Q What did you say to him, sir? (Laughter)

THE PRESIDENT: Well, I shook him warmly by the hand.

Q Mr. President, do you have any comment on the new book called "The American White Book" which purports --

Q (interposing) "The American White Paper."

Q -- "The American White Paper" which purports to be an authentic recital of the background of American diplomatic moves in the last few months?

THE PRESIDENT: Did little Krock ask you to ask that question?

Q No, he did not. (Laughter)

THE PRESIDENT: I heard a rumor that he was going to get somebody to ask that question.

Q The rumor is unfounded in this direction.

THE PRESIDENT: I think it is extremely interesting. That is a good answer.

Q That is as far as your comment will go?

THE PRESIDENT: I think it is extremely interesting. If it were not for the fact that it might be considered advertising somebody else's wares, I would say that I took great pleasure in reading.it.

Q Do you have any comment on the Texas delegation situation?

THE PRESIDENT: Which situation?

Q The peace move between Mr. Rayburn and Mr. Johnson of the Garner delegation.

THE PRESIDENT: Only what I read in the papers.

Q Mr. President, did you talk to Mackenzie King about the defense of the Northeast in connection with the Newfoundland air bases?

THE PRESIDENT: We had just a nice, pleasant, social call at Warm Springs and here. That is what he told you, wasn't it?

Q Yes. (Laughter)

Q Since this visit you have not been asked about the St. Lawrence. Anything on that?

THE PRESIDENT: No, no news on it at all. I think they are still working on it, aren't they? on the Treaty?

Q I do not know. There was a story at the time of his visit here that it would be signed.

THE PRESIDENT: I do not think that is through yet. They are just drafting.

MR. GODWIN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #640,
Executive Offices of the White House,
May 3, 1940, 10.49 A. M.

MR. DONALDSON: All in.

THE PRESIDENT: I have got a thing that I have had copied for you, which Bill, (Mr. Hassett) will give you afterwards. It is a letter from the Director of the Budget to Mr. Hinckley, Bob Hinckley, giving certain interpretations of Plans Nos. III and IV and -- well, you will have to read it -- making it perfectly clear that the Civil Aeronautics Authority remains an independent agency in its functioning. And (also) a copy of a letter from the Attorney General to the Director of the Budget saying:

> (Reading) "I have examined your letter of this date to the Secretary of Commerce in which you set forth your interpretation of the provisions of Reorganization Plans III and IV relating to the Civil Aeronautics Authority, and I agree with the conclusions reached by you."

So there is the legal sanction end of it. I do not think --

Q (interposing) Does it break down, Mr. President, the three anticipated savings planned for, to show how much of that is Civil Aeronautics?

THE PRESIDENT: No, this is the legal end entirely.

Q The Legal end?

THE PRESIDENT: Yes, as to the effect of it, the legal end.

I do not think I have got anything else.

Q Mr. President, every time there has been a crisis in the offing in the past you have intervened directly with the would-be belligerents. There is a crisis now in the offing in the Mediterranean. Have you done anything about it?

THE PRESIDENT: Oh, I think that probably what the Acting Secretary of State told you yesterday is the only thing you can get out of it.

Q Is there anything else outside of the news?

THE PRESIDENT: No, I do not think so. We are striving, as we have right along, to prevent the extension of the war to other areas and other nations, and that is all that can be said.

Q Would that cover the inquiry as to what you were saying to the Italian Ambassador?

THE PRESIDENT: Yes.

Q To prevent the extension of war?

THE PRESIDENT: Of war to new areas and other nations.

Q Mr. President, I would like to ask you a question about your conference with the two Congressmen who were here yesterday, Gore, I think, and was it Monroney?

THE PRESIDENT: Yes.

Q With respect to the new housing bill -- the program which seems to be hung up with three or four various groups attacking various angles. Can you tell us anything about it?

THE PRESIDENT: I think I can cover it in about one or two sentences. The U. S. Housing Authority has got to the point where it has accomplished a great deal in the way of slum clearance, as we all know, and latterly they have been extending this work to smaller communities; in fact, almost down to what might be called the agricultural community and, so far, the cooperation of the different localities has been fine. The Administration has felt that they ought to have more authorized funds for continuing the building program. Now, how much that should be, as I told the two gentlemen yesterday, is in the discretion of the Congress but we do not want to stop the work. That, I think, covers it.

Q That was an O. K., I take it, for a going program?

THE PRESIDENT: To continue a program. Now, I am not saying exactly what the

sum should be -- it should be in the discretion of the Congress. I do not want to wind up slum clearance because it is doing an awfully good job.

Q Mr. President, Mr. Gore objects, I believe, to the system being followed under the present U. S. (Housing) program. Would you be willing to accept any modifications of the present setup to meet his objections?

THE PRESIDENT: The trouble with that is --

Q (interposing) He objects to the 50-year basis, for one thing.

THE PRESIDENT: Personally, I feel that fifty years is too long, largely because we, in this country, are a very young nation and our physical locations of population change so frequently that a building which is put up today in a suburban area or in an old slum area may very easily, through the processes of business, change and be in the middle of a business district in another thirty or forty years. The older civilizations of the world do not change their community geography as fast as we do --

Q (interposing) Mr. President --

THE PRESIDENT: -- and there are various differentials also, probably, between the city type of apartment house and the suburban type of small house, the individual small house or the three or four or five-family house. Now, all those have to be taken into consideration when you come to the length of life of the project. We are learning a lot. I would say there isn't any hard and fast rule that can be laid down yet. It is going through -- the whole housing problem is in the evolutionary process and, on the whole, I think we are improving the work that the Government is doing each year.

Q Mr. President, there are reports on the Pacific Coast that some sort of direct or indirect Government pressure has been brought to halt shipments

of copper to Russia by way of the Pacific?

THE PRESIDENT: I never heard of it. You will have to ask somebody else.

Q Mr. President, can you tell us what steps are being taken by this Government to prevent the spread of war to new areas and other nations?

THE PRESIDENT: We are doing everything we can.

Q About all Mr. Welles told us yesterday about the conversation with the Italian Ambassador was to refer us to you. Can you tell us whether you received from him or from our Ambassador in Rome any assurances about about the Italian position?

THE PRESIDENT: I think what I said to Earl (Mr. Godwin) covers it pretty well, that we are continuing to work for peace.

Q Mr. President, do you have any comment on the efforts of certain farm processing groups to get the Wage-House [House ?] Act amended in the House?

THE PRESIDENT: To get it amended how?

Q In the House.

THE PRESIDENT: The Wage-Hour Act? Heavens, haven't they been at it for six days? Do you know what they have done? I don't know. I do not think anybody knows what the exact status of it is today. I do not think it would be intelligent for me to comment on it.

Q Is there anything in common in principle between the Government's efforts to maintain wages and to maintain farm prices?

THE PRESIDENT: Do the two go together?

Q Yes, sir.

THE PRESIDENT: Well, sure; why not?

Q Mr. President, is there anything you can say or comment on Secretary of the Navy Edison's statement with regard to battleships needing more protection against airplane bombs?

THE PRESIDENT: Well, only that this is just another event in the history of

national defense. It has many parallels, even in our own short history. Defense is an evolutionary process and people are very apt to draw all kinds of silly conclusions when some battle happens somewhere. There are one or two very good examples of it: When you and I were boys we remember the fight of the four or five wooden Union ships down at Hampton Roads -- (Laughter)

Q (interposing) Who are you speaking to, Mr. President? (Laughter)

THE PRESIDENT: -- and there came sneaking down out of Norfolk a strange thing, a queer looking craft, and it started in, systematically, to destroy the Union ships and, having done a pretty effective job one day, it retired for the night and started in on the second day when, in through the Capes, came a "cheesebox on a raft". They had a grand fight, perfectly grand fight, and the MERRIMAC had to withdraw. Whereupon everybody in this country said, "Ha, at last we have found an invincible, unsinkable ship," and the Union Government proceeded to build them just as fast as the Lord would let them.

Well, of course, they were not unsinkable ships because that very heavy turreted, armored turret type of ship -- No. 1, it could not go to sea; it was perfectly grand to anchor in the mouth of a harbor or in very good weather, in the summertime, it might go from one harbor to the other. But we were all convinced -- go in your own memory (laughter), just think how thrilled we were that at last we had discovered the unsinkable ship.

Of course, in a very short time the other side of warfare came into play. A gun came along that would sink the unsinkable ship and somebody, a little later on, came along with a torpedo. It is entirely a process of evolution.

Now, you children who are here today (Laughter), you remember what

happened in 1914. I was asked to write an article (when I was) in the Navy Department by -- what was his name? -- George Harvey, who ran the North American Review at the outbreak of the war in 1914 when the submarines, German submarines, were sinking everything in sight. At last here had been discovered, not an unsinkable ship but an offensive type of ship that could sink every other ship in the world -- the exact opposite. So I wrote an article for the North American Review, pointing out that the submarine might, for a few months or for a few years, raise havoc with merchant ships and warships but that, judging by history, the defense would develop pretty fast, the defensive weapon, and not the submarines, making attacks would be curbed.

Well, the article was published -- I think it is in the September number of 1914. And -- this is just a little sidelight for some of you who, like myself, have written for pay -- I supposed that George Harvey would send me a check for this article. It was the lead in the North American Review. And no check came. I did not like to write to George Harvey and say, "Where is my pay?" Well, finally, way on in October, I got a letter from George Harvey saying, "Dear Mr. Secretary: At a meeting of the Board of Directors of the North American Review a resolution was passed thanking you --" (Laughter) "-- thanking you for your splendid leading article in the September number and, in token of their esteem and appreciation, they have voted to send you the North American Review, free, for one year." (Laughter)

I learned a lesson. I use the contract method first now. (Laughter)

Q Would you say that was the start of the surplus commodities idea? (Laughter)

THE PRESIDENT: Yes, that is right.

Now, of course, on this Navy ship business, it is true we are studying all those things. We have got very little information out of Norway,

out of the North Sea operations, very scrappy information, just a little piece here and a little piece there. We are keeping in just as close touch with it as we possibly can. Undoubtedly there are lessons out of it. What the final implication or import of this is, is not yet wholly clear to anybody, I suppose not even to the British Navy itself. And we are trying to keep up just as fast as the technical knowledge and requirements, based on known facts and events, will warrant us to go.

Q Mr. President, where do you think General Billy Mitchell's views will fit into that picture?

THE PRESIDENT: What?

Q General Mitchell's views, which were hazed (?) over a long period of time?

THE PRESIDENT: Well, I will tell you what it is like. It is like trying to say, "What would Jefferson say if he were alive today?" In other words, Billy Mitchell was talking about conditions of one era -- he was a very great friend of mine -- and we are talking about conditions of another era. I do not know what he would have said if he were alive today.

Q Mr. President, I am not quite clear as to your conclusions. Is the old row of battleship versus airplane, is it still in status quo?

THE PRESIDENT: There never has been a row, Earl (Mr. Godwin).

Q Well, there has been a controversy between --

THE PRESIDENT (interposing): Oh, it makes good copy, both for the Press and for officers.

Q All right. Well, then, as far as naval strategy is concerned in the defense of the American Continent, then, there isn't any difference today as between the strength of a battleship, in your mind today, as opposed to last month?

THE PRESIDENT: Battleships, airplanes, torpedoes, submarines are all weapons of war, all of which fit in together, and you cannot say that there is

a permanent fight between one weapon of war and another weapon of war. They supplement each other. The battleship has its place, the airplane has its place, the torpedo has its place, the mine, the net, everything else. They all fit into a picture.

Q Mr. President, can you tell us which little bubble will eat which at the finish of this thing?

THE PRESIDENT: It never comes to that. It never has yet in history.

Q Do you think we have given its due proportion to our air defenses?

THE PRESIDENT: Yes, I think so.

Q (interposing) Mr. President --

THE PRESIDENT: Of course it reminds me -- I told you the story before -- about T. R. (President Theodore Roosevelt) and Portland, Maine, and people representing Maine papers might copy. (Laughter)

Q Mr. President, in connection with the same subject of modernizing war equipment, both General Marshall and General Arnold have testified in the last couple of days, before the Senate Military Appropriations Committee, that experiences of this war, so far, have shown that our Army is not equipped with a good many things that have proved to be vital and which the Germans and some of the others have. Have you followed that?

THE PRESIDENT: Oh, yes; we are learning all the time. I will just give you an example: I got yesterday a request for a good many millions of dollars worth more blankets. Now, that is just as important in running a war as rifles are, as Napoleon has remarked in somewhat similar terms. We need several millions of dollars worth of blankets because our blanket supply is just barely big enough to go around once and if a fellow lost his blanket he would be out of luck. Now, there is an illustration.

Q I was referring particularly to (anti-) aircraft guns?

THE PRESIDENT: Aircraft guns? Probably, as far as we know, on the other side they have developed a larger type of guns for planes than we are using at the present time and we probably have to put on larger types of guns.

Q How about gasoline tanks?

THE PRESIDENT: Same thing. Of course we have been working on that. We have got something that is pretty good. We don't know that it is as good as the German type.

Q How about the reserve supply of tin?

THE PRESIDENT: Well, we have got a good deal of tin. Probably (it would be) a good idea to get some more.

Q I think the generals have suggested that the authorized appropriation for the next couple of years be telescoped in the next year and the Budget Bureau cut them down. Have you any comment on that?

THE PRESIDENT: The answer is a very simple one: We are spending this year on appropriations more money than we have ever spent before for national defense -- a great deal more, if you add up the figures together -- and in some cases we are using facilities of the country, supply facilities, to the utmost and the appropriation of more funds would not get us more goods. But, if Congress wants, after studying the thing correctly, to add to those appropriations -- well, that is entirely up to the Congress. Only, I am not going to, if I can help it, except in certain obvious cases-- well, like, for instance, blankets -- I am not going to ask Congress for more money at this session. But they have a perfect right to appropriate more money.

Q Will changes in the design of our ships, which are planned, authorized and appropriated for, seriously delay any addition to the numerical strength

of our Fleet?

THE PRESIDENT: Not very much.

MR. GODWIN: Thank you, Mr. President; a good story.

THE PRESIDENT: I tried to illustrate.

Q It is an awfully good story.

CONFIDENTIAL
Press Conference #641,
Held in the Observation End of the Presidential Special Train,
En route Hyde Park, New York, to Washington, D. C.
May 6, 1940, 3.20 P. M. E. S. T.

THE PRESIDENT: Hello, Mr. President (Mr. Felix Belair, president of the White House Correspondents' Association), how are you?

Q (Mr. Belair) Pretty good, Mr. President.

THE PRESIDENT: Well, I did not have any complaints this time. Were they all right?

Q (Mr. Belair) They were fairly good. They missed the roulette wheel but, aside from that, everything was good.

THE PRESIDENT: Now, who did I ask to look up that roulette wheel?

MR. HASSETT: I am afraid I am derelict there, Mr. President.

THE PRESIDENT: Will you look it up? I am perfectly sure somebody gave me a roulette wheel for Christmas around six years ago and none of my family have the money to play roulette so I thought I would turn it over to you.

Q None of my family do either.

Q Not having the wheel, the boys could not gamble but, aside from that, it is all right.

THE PRESIDENT: Well, anybody want a pardon? (The President had a large pile of pardon cases in front of him.) It is a good chance.

Q I will take one.

Q (Mr. Qualters) Any blank ones, sir? (Laughter)

THE PRESIDENT: I can always fill your name in, Tom. It is all right. I do not think I have any news at all.

Q What prompted you to go back this afternoon instead of tonight, Mr. President? Anything in the international situation?

THE PRESIDENT: Nothing; nothing in particular, just the general feeling that

I have sometimes in these days -- if I stay away too long, I begin to get nervous about the general situation. There isn't anything to justify it but after I have been away from Washington a few days I say to myself, "My God, what is going to break this afternoon on the European front?"

Q There has been no indication that Italy is going to move?

THE PRESIDENT: No; no, we have not had a thing. I talked at lunch time today and there wasn't any news other than appeared in the newspapers. In fact, there was a great deal less news than appeared in the paper, for obvious reasons. Is that perfectly all right, Carlton?

Q (Mr. Smith) Yes, sir.

THE PRESIDENT: Any other question?

Q I have had several inquiries about the cotton crop insurance bill. There are reports in Washington that you have or are about to veto it?

THE PRESIDENT: I think you will have to wait until we get to Washington because, off the record, I do think that I vetoed it before I left. It was to go up to the Hill but -- do not use this because somebody may have appealed to Rudolph (Mr. Forster) to hold it up until I get back. But do not use it.

Q Nothing to be said about it?

THE PRESIDENT: No, for the reason that if I did veto or do veto it, the reason for it is consistency. When we put in the wheat insurance, it was distinctly understood by everybody, both on the Hill and the White House and the Department of Agriculture, that it was an experiment, the thought being that crop insurance by the Government ought to pay for itself. It ought to be -- I do not know whether you can put crops on an actuarial basis, but there should be a sufficient premium, based on experience, to have the Government come out even on the thing as a whole.

Well, we have had wheat insurance now -- I think we are in the second year of it -- and we have not yet come out even. This year on it, as I remember it -- this will save me the trouble of telling this at the next Conference -- I think we are out of pocket about one and three-quarters million or two million dollars.

Q Is that one year's operation?

THE PRESIDENT: I do not know, Felix (Mr. Belair); I do not know whether it is one year or two. Therefore we feel that we ought not to extend crop insurance to cotton until we know more about it. The veto is based on what might be called a general understanding with the Congress that we try out the experiment on wheat first and then, if we can make it work, to extend it to other crops.

Q Can we use it for background?

THE PRESIDENT: Do not use it today. Use it when the bill is vetoed.

Q Next week?

THE PRESIDENT: Yes.

Q We have had another inquiry about a request for a pardon for Dr. Frederick Cook, the man who did not go to the North Pole.

THE PRESIDENT: I never heard about it.

MR. HASSETT: I found, on further inquiry, that it went directly to Washington and was referred to the Department of Justice. It was not received at Hyde Park at all.

THE PRESIDENT: There again, you know there is a general rule that I brought to Washington from Albany where I had put it into effect way back in January, 1929. I found that there was no particular rule about restoring people's citizenship and it depended largely on who was Governor and who the person was and who his powerful friends were. There was altogether too much of that and so I put in a rule in Albany that anyone who had

been discharged from prison and from parole, in other words was completely free and did not have to report any more, would have to go a full four years before applying for a restoration of citizenship. That has had a very, very salutory effect because it means that if a fellow, when he gets out of jail and through the parole period, if he really wants to make good, he does not have to use his friends, he has to have a good, clean record for four whole years. It has had a very excellent effect all the way through in Albany and so I brought the same rule down to Washington.

Of course, in the case of some horrible crime, I let it go a good deal longer than that. Then, I have had one further rule which all the narcotics people have got onto, the peddlers: I never give a pardon in a narcotics case unless it is perfectly obvious that it was some poor creature who acted as a messenger boy and had nothing to do with the actual obtaining and distribution of the narcotics. I have had two or three of those but there is a general rule against any form of pardon in a narcotics case.

Do not use that in connection with Dr. Cook. This is just for your own background.

Q Yes, sir.

THE PRESIDENT: I will have to be again entirely off the record and entirely frank. When Bill came up this morning and talked about a pardon for Dr. Cook, I said, "My God, what did he do besides claiming the North Pole? I never knew he had been in jail."

Q He had been in jail for some time.

Q He served his full term and was released in 1930.

THE PRESIDENT: I wonder that he did not apply for a pardon to restore his citizenship because if he was let out in 1930, he could have applied for

a restoration of citizenship four years later.

Q I believe it was 1930 that he was released. He was on parole then,

THE PRESIDENT: That would not have been more than a year of two years at the outside. I wonder why he did not apply.

Q He did not apply now; this friend of his has.

THE PRESIDENT: Some of them do not know and do not care. I restored citizenship to a fellow who went to jail in 1900 for six months for some liquor deal down south. He served four or five months; they took away his citizenship and he never applied to have it restored until 1940, forty years later. Isn't it amusing? Upright citizen; nothing against him all those years.

Q Mr. President, can you enlighten us any on the present status of the United States Film Service? The House and Senate both rejected the appropriation of $106,000 and it looks like it is going out of the picture unless something is done. I wonder if anything is contemplated?

THE PRESIDENT: All you can say is that they have the right to cut the appropriation and it is too bad because it was of interest to a great many people, millions of them, all those three pictures they have done. It is about as good an expenditure of public money as you can find. All the film producers were for it. The plains one and the erosion one and the third one, that is the last one -- what was it?

Q The birth of a child.

Q It never had a specific appropriation before, did it?

Q It was paid out of Farm Security?

THE PRESIDENT: Yes.

Q Can it live on that premise still?

THE PRESIDENT: I do not think it can. I think the Comptroller has ruled against it in view of the present language, but I am not sure.

Q (Mr. Cornell) Thank you, Mr. President.

THE PRESIDENT: I cannot think of anything else. I had a quiet time at Hyde Park and I hope to go back in two weeks.

Q Did you find your mother in good health?

THE PRESIDENT: Fine.

Q Any particular appointments tomorrow -- the Big Four?

THE PRESIDENT: I suppose they will be in in the morning as usual.

Q Have your plans for the western trip been developed any since you talked to us in Warm Springs?

THE PRESIDENT: I won't even think about that until I know something about Congress going home.

Q How about the Isle Royale Park on the Great Lakes?

THE PRESIDENT: We might stop on the way back.

Q That would entail a cruise on the Great Lakes?

THE PRESIDENT: Yes.

Q The first President to cruise on the Great Lakes?

THE PRESIDENT: Yes. As a matter of fact, I am not going to think about that trip in any shape, manner or form until I know when Congress is going home.

It is rather pathetic -- one of the girls saw Mac (Mr. McIntyre) at Asheville on the way back and Mac was announcing that he was going to make that trip. Of course the doctor would not let him go on the trip for anything in the world. But he just made up his mind that he was going on the trip.

Q If Mac went on that trip we would have to stop at Asheville on the way back.

THE PRESIDENT: Absolutely. Of course we will see him in Asheville on the way down. We are going to turn over the arrangements for Great Smoky Park to Mac. It is all right.

Q Somebody took down that Marvin McIntyre Possum Preserve sign at Warm Springs.

THE PRESIDENT: I wondered about it and complained about it. Of course, Mac might have had it taken down himself, and the Harry Hopkins place is in very bad repair too.

MR. BELAIR: Thank you, Mr. President.

THE PRESIDENT: Oh, look; I will give you a story. One of you asked what I thought about the Hatch Bill in the House and I said that I hoped very much that it would get out in the House and be voted on and passed. Well, that is all. That is good enough.

Q How many people would that affect, sir? Any estimates made of that?

THE PRESIDENT: No, I do not know. You would have to read the Congressional Record.

Q (Mr. Belair) That is good for a column and a half anyway, Mr. President.

THE PRESIDENT: Sure.

Q (Mr. Reynolds) Every Scripps-Howard paper in the country will have it late this afternoon.

CONFIDENTIAL
Press Conference #642,
Executive Offices of the White House,
May 10, 1940, 11.45 A. M.

Q Good morning, sir.

THE PRESIDENT: Good morning.

(There was a pause while the correspondents were coming in.)

Still coming in?

Q This is probably the biggest crowd you ever had.

THE PRESIDENT: And probably less news.

Q I did pretty well this morning -- 1.30.

THE PRESIDENT: Why don't you (Mr. Reynolds, United Press representative) sit down in the chair?

Q (Mr. Reynolds) Good.

Q (From one of the correspondents who had been standing behind Mr. Reynolds) Thank you, Mr. President.

THE PRESIDENT: We will give him more room. He sits in the chair and ten people move up.

Are they all in yet?

Q A big crowd this morning.

Q (Mr. Qualters) Still coming in, sir.

MR. DONALDSON: All in.

THE PRESIDENT: I hope you had more sleep than I did. I guess most of you were pretty busy all night.

There isn't very much I can say about the situation. I think it speaks for itself. I think I can say, personally, that I am in full sympathy with the very excellent statement that was given out, the proclamation, by the Queen of the Netherlands, and let it go at that.

It is worth reading.

I do not think there is any possible news that I have. Of course there are a great many things that are being studied and I think probably it is time not to call news or write as news things that are in a study stage. I do not know what we will have during the rest of the day from here but there isn't anything at the present time.

Q Mr. President, would you care to say at this time what you think the chances are that we can stay out?

THE PRESIDENT: Well, I think that would be speculative. In other words, don't, for heaven's sake, say that that means that we may get in. That would be, again, writing yourself completely off on the limb and sawing it off, as it happened before. I think you can put it this way: I see no change in the situation in that respect. That is pretty clear.

Q Since your speech regarding the peace blackout, Mr. President?

THE PRESIDENT: What?

Q No change since your speech regarding the peace blackout?

THE PRESIDENT: No change.

Q May we also quote your observation about the Queen of the Netherlands?

THE PRESIDENT: Yes.

Q Would it be possible to restate what you said, Mr. President?

THE PRESIDENT: What did I say, Kannee?

MR. KANNEE (referring to his notes): "I am in full sympathy with the very excellent statement -- "

THE PRESIDENT (interposing): I said something before that about "personally."

MR. KANNEE (reading): "I think I can say, personally, that I am in full sympathy with the very excellent statement that was given out, the proclamation, by the Queen of the Netherlands, and let it go at that."

THE PRESIDENT: And let it go at that.

MR. KANNEE (reading): "It is worth reading."

Q Will your speech tonight touch on the international situation?

THE PRESIDENT: I do not know because I have not written it. I am awfully sorry to spoil some stories but it is literally true; I have not written it.

Q Mr. President, there has been up to last night a rather strong effort to get Congress adjourned around the first week in June. Do you believe this situation warrants Congress remaining on longer?

THE PRESIDENT: I haven't given it any thought.

Q Mr. President, shall we take up another domestic matter? Have you authorized the Justice Department to go ahead in connection with this submerged oil land?

THE PRESIDENT: What is that? Oil land?

Q The submerged offshore oil land that they reported to you about?

THE PRESIDENT: That is still -- I do not know where it is. I told someone to dig it up. I thought it was in my basket and it isn't.

Q There was a report that they are preparing now to file a suit and that you had given them a green light on it.

THE PRESIDENT: I will have to find out what happened. I have not thought about it since our talk about it about a month ago. Steve (Mr. Early), will you look into that?

Q Mr. President, did you arrive at any conclusions on procedure in the immediate future during the conference which you just completed?

THE PRESIDENT: Oh, no.

Q Mr. President, when the war broke out I believe the German Government gave you a pledge that it would not resort to bombing of open towns. In the light of that pledge, have you taken notice of the reports from our representatives that Brussels and open towns had been bombed?

THE PRESIDENT: That is one of the things which is under study.

Q Mr. President, do you have any information as to the possibility of extending the combat zones so as to include the Dutch West Indies and East Indies and so on?

THE PRESIDENT: Combat zones?

Q Under the Neutrality Proclamation?

THE PRESIDENT: There is no change contemplated at the present time on sea areas.

Q Mr. President, do you see any distinction in the effect on American interests between the Japanese control of the Dutch East Indies and the acquisition of them by Germany through the conquest of the Netherlands?

THE PRESIDENT: I counted them -- you have got seven "ifs" in your question that cannot be answered. (Laughter)

Q The "ifs" are getting smaller.

MR. BELAIR: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #643,
Executive Offices of the White House,
May 14, 1940, 4.05 P. M.

Q Still hope to make Hyde Park this week end?

THE PRESIDENT: I do not know. I am not on twenty-four hours' notice; I am on about twenty-four minutes' notice.

We will have to build a new room.

Q Build a gallery.

THE PRESIDENT: Is that it?

MR. DONALDSON: All in.

THE PRESIDENT: I apologize for my coatless condition. I did not have time to put it on. It is a somewhat timeworn excuse but a perfectly good one.

There are a lot of things I could tell you but of course I know you will understand that there are probably a good many things it is better not to discuss in too much detail these days. They are somewhat difficult days for the whole world.

I am sending up -- I do not know yet whether it will be tomorrow or Thursday; it depends on whether I get the figures in and whether I have time tonight to dictate a Message to go with the figures -- to Congress, this Message on national defense. If I get through with it, it will go up tomorrow and if I do not, it will go up on Thursday. I cannot give you any figures because I am not ready yet. I am afraid it will be pretty high and I think it should be made clear that there are two primary reasons for doing it at this time. The first is the matter of what has been gained in the way of knowledge from experience in the last two weeks -- months. The other is the -- what shall I call it? -- the progress of military events which inevitably, in the last few weeks, has brought the defense picture of the United States a little closer to

the United States.

I do not think there is anything in particular that I can say more about it. I think Steve (Mr. Early) told you about a simile that I used this morning, which I think he told you about. If there is a fire going on in a big city, almost inevitably it is going to affect the expenditures of the city in the following fiscal year, and it may affect even the real estate values -- in other words, the tax collections in the following fiscal year. But the newspaper men and women who are covering the fire do not make the following year's budgets the lead of their stories. It is a homely way of putting it that you can all understand.

This defense appropriation and contract authorization running to a large sum of money, of course it is going to be paid for by the Government some day, but the main thing to do is to put the money to work at the present time. It can come, of course, out of taxes or it can come out of borrowings, or it can come out of a combination of the two, but the important thing is the national defense rather than the next year's method of payment. So I am suggesting, very gently, how I would write the lead. (Laughter)

Q Mr. President, yesterday on the floor of the Senate there was considerable point made of the fact that we spent about six billion dollars on national defense in this Administration, and the question was raised whether we had got our money's worth out of it. What do you figure as to that? Do you think there is just criticism in that, or not?

THE PRESIDENT: Well, I will ask you what you think.

Q What?

THE PRESIDENT: I will ask you what you think.

Q I do not know: that is why I am asking you.

THE PRESIDENT: Well, I hoped that you would know because it seems so perfectly obvious. In other words, these expenditures have been for two things primarily. One has been to keep up with the expenditures in other countries and we have, as far as the best information we could get, been spending the money for the same kind of military equipment as other nations have been doing. We have felt that we were up to date in what we were doing. Of course that type of equipment costs a lot of money. That was one thing -- that was to keep abreast of this race of armaments that was forced on us and do it the same way that the military and naval experts all over the rest of the world were doing it. The other reason was that, beginning in '33, we had to make up for a lot of lost time. In other words, as you know, the Navy had had very, very little money spent on it between nineteen hundred and -- the end of 1921 and 1922, the Disarmament Conference, and 1933. There was a great deal of replacement that had to be done, a great many gaps that had to be filled, and of course the Army was in exactly the same position. So we had, first of all, to catch up and, having caught up, we had to keep up.

Practically all of these new expenditures are for needs that have been developed by the actual competitive methods of actual war -- the new things. The airplane that was appropriated for in 1935 at great cost, delivered, say, a year and a half or two years later, is today on the scrapheap. The Navy ships -- our ships are probably the equal of any ships in the world, of all ships in the world, of every other navy -- you have to have certain other alterations made to them and you have to have new ships of slightly different design because of the experiences of the past few weeks, and that will be done in every navy.

Those are just the high spots. I think the rest of the story

speaks for itself.

Q Will your Message deal solely with appropriations or will it require some authorizations also?

THE PRESIDENT: I suppose it will take some authorizations and, on the appropriations, it will take two things: it will take actual appropriations for the expenditure of money out of the Treasury in the fiscal year 1941 and also the authorization to make an additional amount of contracts which would not have to be paid for until the year 1942.

Q Mr. President, has there been any revival of the discussion of the need for a two-ocean Navy, in view of the German gains in the air over the British Fleet?

THE PRESIDENT: Well, when you talk about a two-ocean Navy in regard to our naval defense, I don't know. I think it probably goes back to the days of -- when did we first get California? 1847, wasn't it?

Q Yes, sir.

THE PRESIDENT: In other words, it is an entirely outmoded conception of naval defense and it has been since about 1847 when we first acquired California. I just never discuss two-ocean Navy in one way or the other because it is dumb to talk of naval defense in those terms.

Now, think that over, May (Miss Craig.)

Q (Miss Craig) I just do not understand why it is not all right to have a two-"notion" Navy.

THE PRESIDENT: Two-notion Navy. (Laughter)

Well, of course you are supposed to have a Navy that will go anywhere for national defense purposes and no human being can say where it will have to go -- nobody.

Q Isn't it conceivable we may have to split the Fleet if something happened out in the Netherlands' Indies and then --

THE PRESIDENT: I am afraid that is a leading question.

Q It would take ten years to create another Navy like this one?

THE PRESIDENT: Yes, and then ---. Suppose you got an attack from three angles instead of two and then you would have to have three navies. In other words, it really, honestly, is a stupid conception that nobody who knows anything about defense would ever use. Nobody has ever used that term that knew anything about defense.

Q Mr. President, if we cannot have a two-ocean Navy, would it be logical to have two canals between the Atlantic and the Pacific?

THE PRESIDENT: Personally, I wish we had ten canals because the more communications you have, which are capable of, more or less, of defense, the better it is. I wish there weren't any isthmus. I wish there were a big open space down there.

Q Mr. President, I do not mind seeming dumb, but if we have two oceans why wouldn't it be a good idea to have two complete Navies, one for each? (Laughter)

THE PRESIDENT: Well, because, May (Miss Craig), it is just exactly like Portland, Maine. If you break things down in those terms, we ought to have Navy ships at the mouth of every harbor to protect that harbor against any possible attacking for us because, you see, they might attack Portland, Maine, and Boston, Massachusetts, at the same time. Now, wouldn't that be awful? You really ought to have two Navies.

Q Well, I just do not think that is the same thing because you have got oceans --

THE PRESIDENT (interposing): That is what you call reductio ad absurdum.

Q What is the answer then, larger fleets of bombing ships?

THE PRESIDENT: What?

Q What is the answer then, flying fortresses?

THE PRESIDENT: Now you are coming down to the old relativity business. You have to be complete and perfect as far as you can be and as far as you can afford to be in every weapon of war. That is what we were talking about the other day, Pa (General Watson) -- in every weapon of war. In other words, as I was saying to a couple of the Chairmen (of the House and Senate) this afternoon -- now, you can use this in terms of an army or in terms of a fleet -- in terms of an army, if you have two equal armies in every weapon except one, let us say what, light artillery? -- equal in heavy artillery, equal in machine guns, equal in infantry, equal in the air, the army that has no light artillery is going to be beaten by the army that has light artillery. The army that has no airplanes is going to be beaten by the army that has airplanes. In the case of a fleet, the army (fleet) that has no battleships will be beaten by the fleet that has a lot of battleships. The fleet that has, as a fleet, traveling with it, no submarines, two things being equal, the other fleet being equal, the fleet that has submarines is going to beat the fleet without the submarines. In the air, the fleet that has planes is going to beat an equal fleet with no planes. It is just a question of equality in every weapon of warfare. Right? It is hard to understand but it is awfully simple.

Q Mr. President, there was a severe break on the New York Stock Exchange today and prices came tumbling down. Do we have any information that this break may have been the result in part of operations abroad?

THE PRESIDENT: Not that I know; you will have to ask the Treasury Department or the Federal Reserve.

Q Secretary Hull said that Americans are being asked to leave Italy. Is there any special reason for that?

THE PRESIDENT: Not that I know of. I told them a long time ago to get out

of any place that they might be in danger.

Q That does not indicate we are expecting Italy to get in?

THE PRESIDENT: No.

Q Do you expect this request of yours to prolong the session of Congress?

THE PRESIDENT: No, I see no special reason why it should. As I said to the Vice President and the Speaker and the two Leaders yesterday morning, and I think they all agreed with me, that when the Congress has completed the legislation that is before it, the important legislation, there is no particular reason why they should stay in Washington because they have the knowledge, the very definite, certain knowledge, that in case there was need for any certain legislation of any kind, I would call them back immediately. If you will remember, last August there was a certain division of opinion as to whether there would be a world war or not and some of the people, I think Mrs. Rogers, wanted Congress to keep on staying all fall. I assured them that if anything happened and the war broke out, that I would call them together again and I did. Of course I would do the same thing if they went home early in June and we had to have them back here on our hands this summer.

Q Would you renew your request to have the Leaders stay in town for consultation?

THE PRESIDENT: Oh, I will. Not in town but within easy reach. I would not keep them from campaigning -- it is all right.

Q Mr. President, you said that expenditures would have to be met by taxes or by borrowing. Would you make any definite recommendation on increasing the statutory debt limit?

THE PRESIDENT: No.

Q No recommendation?

THE PRESIDENT: No.

Q Do you think it is necessary at this session to do that, Mr. President?

THE PRESIDENT: I think it is a completely minor detail. I hope this money will be appropriated and spent for national defense and I am not frightfully interested in which way it is met, either by borrowing or taxes. I think it is a minor detail because the Government has got to spend the money anyway.

Q It was stated this morning that you had informed the Iowa delegation that you had no intention of running for a third term. Have you any comment on that?

THE PRESIDENT: I don't remember it. (Laughter)

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #644,
Executive Offices of the White House,
May 17, 1940, 10.42 A. M.

Q (Mr. Earl Godwin) Good morning.

THE PRESIDENT: Why, hello, little stranger; how are you?

Q (Mr. Godwin) How are you?

THE PRESIDENT: I have not seen you for a long time.

Q (Mr. Godwin) I went trout fishing.

THE PRESIDENT: Did you really?

Q (Mr. Godwin) George Washington National Forest, over here in Reddish Knob, 143 miles, just beyond Harrisburg (Pennsylvania).

THE PRESIDENT: Very good, with all the dogwood out and everything.

Q (Mr. Godwin) It is great stuff that the CCC boys have done for roads and everything else.

THE PRESIDENT: And you didn't get all the trout?

Q (Mr. Godwin) I left a few there but, say, you ought to drive down there some day -- 143 miles.

THE PRESIDENT: I did not know there were any good roads.

Q (Mr. Godwin) Through the forest, just as good as in the back yard here. That is one of the things they have done and they have not put it on the State road maps. You can go for miles and on beautiful roads. You ought to try that.

THE PRESIDENT: Yes. Before the hoi polloi get in -- you and I -- (Laughter)

Q (Mr. Godwin) Yes, just so. (Laughter)

Q We have to pay.

THE PRESIDENT: Damned right. Earl and I are going to get the first fish and you boys can come in later. (Laughter)

Q What is the outlook on Hyde Park this week?

THE PRESIDENT: No, I am not going to go.

MR. DONALDSON: All in.

THE PRESIDENT: I am not going away -- not going to Hyde Park this week end. Obviously, the trip to dedicate everything in the world (Laughter) is probably off. I guess that is about all.

Q Means no western trip, Mr. President?

THE PRESIDENT: I doubt it very much. I probably will be able, sometime during the summer, of course unless things clear up, to go down overnight and dedicate the Great Smoky Park, but that would be all.

Q Mr. President, the Secretary of War and Secretary of the Navy and head of the Maritime Commission have written to the Committee, the Senate Education and Labor Committee, expressing their opposition to the proposed labor act that is now under consideration on account of national defense. They fear it might seriously impair national defense and the American Merchant Marine. I wondered if you have any comment you would care to make?

THE PRESIDENT: I have not because I did not know they had written and I have not read the bill. I will try to check up on it.

Q Can you give us some light on what you will probably do with the hundred million dollars that you have requested in the bill?

THE PRESIDENT: As I said before, probably the bulk will go to the increase of production for planes and for antiaircraft guns and for ammunition to go with it, over and above the amounts that are carried in the other appropriations. Then, of course, it should be perfectly obvious that there are a great many things that you cannot foresee at the present time and put down in a line item.

Well, I will give you an illustration: This particular thing

happens to be up today but suppose, for the sake of argument, it had not come up until after Congress had adjourned -- there would be no money to carry it out. It is under discussion at the present time to commission, that is to say, to take out of -- we had already taken them from the category -- these are the old destroyers, thirty-five of the old World War destroyers, which are still out of commission; all the rest of them have been put into commission. Some of the thirty-five, maybe all of them, may, for national defense reasons, have to be commissioned. Of course it costs a good deal of money to put a ship that has been out of commission a great many years, especially a Priority III ship, which is a ship that has been longest out of commission, into full commission. Now, as I say, it so happens that this is coming up at the present time while Congress is here but, suppose the question, the problem, had not come up until after Congress had adjourned? I would not want to call Congress back to give me six million dollars to put these thirty-five destroyers into full commission. I ought to have some leeway to do a thing of that kind.

Well, I will give you another example that may come up: There may be some orders for machine tools later on this summer which have been placed by other citizens of other nations, private orders, with American manufacturers. Later on this summer it may be advisable, because of a bottleneck on machine tools, for us to say to the manufacturers, "We want to buy those. We are awfully sorry but we need them for national defense purposes." And the manufacturers would turn them over to us because they have, there are, on practically all orders of that kind, there are clauses in the contract which would allow the manufacturers to sell to the Government for the same price as you would get from the foreign order. Now, things of that kind may come up during the summer.

Furthermore, I am going back to the question of planes and antiaircraft guns and ammunition, we are working at the present time on several different types, methods, by which additional facilities, plants and machine tools will be paid for. We hope that private capital will put up as much as possible and they may be able to get the RFC to help on financing new plants, but still, over and above that, there may be some need of some cash and the hundred million dollars ought to be available to make the wheels turn to get things done for increased production of all kinds and for items such as I have mentioned: putting out-of-commission destroyers into commission, buying machine tools that are on foreign orders, things of that kind. No human being can anticipate all of those items ahead of time. There will be new situations which will have to be met.

Q Mr. President, is this comparable to the 150 million dollars that President Woodrow Wilson got in 1917 and 1918 and which was a purely discretionary amount, as I understand it?

THE PRESIDENT: I think so, Pete (Mr. Brandt); I think so.

Q (Mr. Brandt) As I recall it, that was never accounted for. (Laughter)

THE PRESIDENT: Was that why you asked the question? Can't you say, "Yes"? (Laughter)

I will tell you what I will do. I will tell you what I will do if I get it. You would be willing to serve the Government for a dollar a year in addition to your present job?

Q (Mr. Brandt) Yes.

THE PRESIDENT: All right. I will make you a committee -- the chairman, in fact, of a committee of three to attend to the accounting of this hundred million dollars. (Laughter) All right. Now, that is a bargain. It will -- it will take a little work every day.

Q (Mr. Brandt) Not too much. (Laughter)

Q Mr. President, someone in Congress spoke of these two items as "blank check" items. There was another in there of 186 million dollars --

THE PRESIDENT (interposing): That is the authorization.

Q Has that the same explanation?

THE PRESIDENT: The same, yes. The difference between the appropriation and the authorization is that the authorization allows one to make obligations for which there would be no money paid out of the Treasury until later on.

Q I understand that, sir, but I think the previous question was the hundred million dollars.

THE PRESIDENT: That was appropriation.

Q And, Mr. President, part of it goes to train airplane pilots?

THE PRESIDENT: Yes, if necessary, if the other part, the line item, is not enough, we will be able to use part of the hundred million dollars to train additional pilots.

Q Can you give us any idea of how you plan to handle the expansion of airplane production facilities? Will that be done by the Government building standby plans?

THE PRESIDENT: Well, we have been getting that all -- oh, I suppose there is, we might say, a constant conference going on with the manufacturers at the present time.

Q Mr. President, in meeting the productivity needs of all defense materials, et cetera, is it your thought to use a part of this money to build Government owned and operated plants or merely --

THE PRESIDENT (interposing): No Government operated plants.

Q Government owned but not Government operated?

THE PRESIDENT: Maybe; in other words, that is a question to be taken up with

the people.

Q With whom?

THE PRESIDENT: With the manufacturers. In some cases they would rather not put their own money up; they would rather not borrow the money from the Government and take the title to the plant. In some cases they would rather the Government kept the title and they run it.

Q Would you consider expanding the Youth Administration work experience school as a feeder for the workmen we are going to need for this program? Where are we going to get the workmen?

THE PRESIDENT: We have got to do a lot of training of workmen through all kinds of methods -- half a dozen different methods -- the NYA among them.

Q (Mr. Godwin) There seems to be a suspicion that the entire program, the two billion dollars, the regular appropriation and this extra national defense, is too much for the present machinery of the country and that it cannot digest the thing without something very drastic in the way of expansion. I think you know what I am talking about. Can you explain that or is it worth while explaining?

THE PRESIDENT: I suppose, Earl (Mr. Godwin) -- I think I know what you mean. If people say that we cannot do this, they might just as well not do it at all and we might just as well not have any defense because -- suppose there were a definite, concrete, immediate threat of attack on us: We would probably have to expand infinitely more than this program. Now, if we cannot do this program of a billion dollars more in time of peace, obviously we could not do a five billion dollar program in the face of a concrete, immediate threat.

Q (Mr. Godwin) Yes.

THE PRESIDENT: And, anybody that says that, they might just as well advocate no national defense at all on the grounds that the country could not

handle it -- it would be too big.

Q Mr. President, in that connection the oil industry is quite concerned over what will be expected of them in providing aviation gasoline because present productive capacity is not capable of producing what will be required by these 50,000 planes and the subsequent air fleet. Have you any plans along that line at this time?

THE PRESIDENT: I do not know. That is one of the things that is under study. I should doubt very much if the program should be stopped on the assumption that we could not provide the gasoline. I think we can provide gasoline.

Q Are you going to accumulate stock piles of aviation gasoline?

THE PRESIDENT: That is a thing they are studying at the present time. I can tell you this, that the preliminary study shows that we do need more standby cracking capacity -- I think that is what they call it -- but that we do not need very much more storage.

Q You do not need much more storage?

THE PRESIDENT: No, probably not, but more cracking facilities.

Q Do your plans contemplate protection for those refineries on the Coast, which produce this and where one bomb would dislocate production of a lot of aviation gasoline?

THE PRESIDENT: Yes, obviously.

Q You would?

THE PRESIDENT: Yes, just like all sorts of other critical points.

Q There is considerable discussion of the bottleneck in the Navy Department and the War Department, discussion of the fact that there will be a distinct shortage of skilled labor which would be needed in this kind of program, and there has been some discussion of the 40-hour and 32-hour week at the Navy Yard, et cetera, which are handicapped because you

haven't a second shift of skilled labor to put on?

THE PRESIDENT: We do need a lot more skilled labor, Just as I said before, we have got to develop and train more skilled labor and there will be some kind of recommendation on it to the Congress.

Q Any prospect of suspending the 40-hour week?

THE PRESIDENT: I do not know but we probably need some legislation.

Q Mr. President, there have been some reports that Colonel Frank Knox might come into the Administration in some way, shape or form. Did you cover that yesterday?

THE PRESIDENT: No, we talked about the temper of the country.

Q In connection with industrial mobilization plants, do you contemplate any appointments to head up that work in the nature of Executive Assistants to the President.

THE PRESIDENT: There will have to be -- I do not know; I cannot be specific yet as to what the titles will be but undoubtedly there will have to be some people brought in to help us.

Q Do you contemplate anybody in particular at this time?

THE PRESIDENT: No.

Q For background purposes, can you tell us some of the things you are discussing with private airplane manufacturers?

THE PRESIDENT: I suppose the easiest way to put it is just increased production, because that covers all kinds of things. What have you in mind?

Q Is the meeting going on now, sir?

THE PRESIDENT: I suppose so. There are two or three of them -- three or four of them.

Q Do you see any immediate need -- putting it another way, the increased production up to the point you spoke of, 50,000 planes a year, is pretty large. Is that in sight within six months or a year?

THE PRESIDENT: I think you had better not ask that question yet, Earl (Mr. Godwin). I would hate to tie myself down. Probably in the course of two or three weeks we would have some idea of it.

Q Most of the airplane manufacturing plants at present are located on one or the other seacoast --

THE PRESIDENT (interposing): Yes, that is one of the things, a very important matter, that is being discussed at the present time. If you were a manufacturer or I were a manufacturer, obviously I would prefer to add to my existing plant, if I had the acreage to put it on, because I would have everything right together. In other words, from the point of view -- from my point of view as a manager of a plant, I would rather have it all together. But the Government says to me, "H-m-m-m, we doubt very much whether you ought to put more production close to either seaboard and therefore we would much prefer to have you go out somewhere between the Alleghenies and the Rockies." Well, it is human nature that they should say, "No, I'd rather stay right here and add to my plant right here." So, one of the things we are going to do as much as we can on new production is to put it between mountains.

Q Would that go for gasoline too, as far as practical, to the refineries on the Gulf or seacoast?

THE PRESIDENT: Frankly, I do not know.

Q Mr. President, the Budget Bureau has turned down a bill for the extension of the Northeast Naval Air Base. It is an authorization. Have you anything in mind to speed up construction of air bases?

THE PRESIDENT: The reason that was turned down was that that would be a permanent base, with steel and brick and concrete buildings and it would take a long time to build and cost an awful lot of money.

Q Thank you, Mr. President.

THE PRESIDENT: Well, look --

Q (interposing) Mr. President --

THE PRESIDENT (interposing): Yes?

Q In asking for this defense program, do you want that to take precedence over the relief bill which is now pending?

THE PRESIDENT: That is why I said, "Wait a minute." I want to talk about relief. Of course relief has got to go through just as soon as it possibly can, because we are approaching the first of July and, while I am not familiar with all the provisions of the bill or the minority report in the House, I think there are certain principles that ought to be made perfectly clear. I do not think the country can afford to cut more people off relief this summer or next fall. We are taking care of only a percentage -- by no means a hundred per cent -- of needy families. We are just not doing it -- we are not giving them work. Personally, I would like to see the amount increased so that we could take care of all needy families. For anyone to say that by earmarking relief, that it will give just as much employment as the present methods, it just does not hold water because it is not true. In other words, the Public Works' process of providing jobs does not provide nearly as many jobs for the actual individual families on relief as the WPA does.

We have -- I would like the people to think about it in this way: analyze just a figure -- oh, let us call it what? -- a million, eight hundred thousand dollars, depending on what period of the year we are taking. It may be a million, five hundred thousand or it may be two million. That is not just a figure. They represent individual people with names. Every one of those people has got a name, he lives in a particular place, he is working at the present time on a definite project and he is getting so much a month for working. All right. Now, if, in

place of that, the Congress says, "A hundred miles away we are going to put in an earmarked project to construct a new dam or a new schoolhouse or something of that kind," in the original place there are a hundred people on relief. Do you suppose they will all be employed on that project? Of course not.

No. 2, on earmarked projects, in other words the PWA method, a very much larger proportion of the money out of the Treasury goes to materials which will come from the mines and the forests and the brickyards and the cement works and the steel factories, and automatically, for the same amount of money, it decreases the present list of human beings who are engaged on local WPA projects, with the net result that if you earmark or if you curtail the present scale of relief, you are going to have a very large number of people, with names, who live in a given place, and who are in need, thrown out of work.

Well, exactly the same way, this defense program: it will put people to work, of course. Suppose, for the sake of argument, that it gives a lot more employment in the steel towns: how does that take care of the people on relief in Watertown, New York? Or in Manchester, Georgia? Of course it does not. It will increase employment, yes, but it does not mean that these people with individual families and individual names and individual localities are going to be given work because of the mere fact of spending more money on defense. Yes, it is going to give work, a great deal more work, but it is not going to handle all of those people on WPA any more than earmarking is going to do it.

Also, there is another great danger: I don't mind pointing out that if the Congress starts to earmark money that goes for relief, you are going to make the relief legislation merely another pork barrel.

Everybody is going to try to get a project for their district. Every little group is going to try to get something for them. The Association of General Contrators is going to get just as many earmarked projects out of that bill as they possibly can. Why? Because they are just like most people, including ourselves. They are selfish. They want more jobs for the contractors. But a contracted job does not take care of these individual people, individual families, individual names and individual localities who, today, are in need. It throws them off. So there you are.

MR. BELAIR: Thank you, Mr. President.

Q Mr. President, would you care to elaborate any further on the Northeast Air Base, dropping work there and not pursuing it any further?

THE PRESIDENT: We are not starting on it this year because it is a permanent thing. It takes a long time to build and they want some tin sheds up there. That is it.

Q We can't handle more news.

CONFIDENTIAL
Press Conference No. 645
At The White House,

May 21, 1940 - 4:02 P.M.

THE PRESIDENT: Go ahead, Earl; you have a number of notes there.

Q I have notes on a subject which you might not want to answer; and it has to do--had to do with Washington, D.C.: Has it got any defenses? I have been told up at the Capitol there has been some discussion about the details of defense.

THE PRESIDENT: I am afraid we will have to put it this way: We will have to think of Washington, D.C., as part of the United States.

Q I didn't know whether you would want to even speak about it.

THE PRESIDENT: That is why it is a good answer.

Q Mr. President, do you feel that the impact of European affairs upon the United States would make advisable a coalition control in the Cabinet?

THE PRESIDENT: I think the easiest way to answer that is that I have never heard of that until I read it in the papers.

Q Did you believe it?

THE PRESIDENT: Well, Fred, that is an awfully embarrassing question; you probably know what I would like to say, but I won't say it.

Q Mr. President, do you have any specific ideas in mind for the implementation of defense of the Western Hemisphere?

THE PRESIDENT: The whole continent?

Q Yes.

THE PRESIDENT: We are moving along that line; that is about all you can say.

Q Mr. President, there has been some suggestion that the Stettinius report be made available to Congress; have you given that any thought?

THE PRESIDENT: No; that whole subject is under study, and I guess there will be some news on it from time to time. In other words, what you are all driving at is--what you want to ask is whether there are to be some other people coming down to Washington. Obviously, yes; they will come down, and they will fit into the picture. Also, as you know, you can draw when you are increasing an organization.

Q I am sorry, Mr. President, but we can't hear you back here.

THE PRESIDENT: I was talking about increasing the size of management to meet existing needs. If I were to tell you I was going to increase management along war lines and to draw a diagram of it, there are no two who would draw the same diagram. All you can say is there will be some new people; a good many have been here, or know they are to be summoned, and they will fit into the general picture. I am not drawing any diagrams at this time.

Q That doesn't mean, Mr. President, the creation of something similar to the War Industries Board of 1917?

THE PRESIDENT: No.

Q Without reference to any diagrams, Mr. President, is it a fair presumption that some of these people will be Republicans?

THE PRESIDENT: Well, I should say that there are a great many Republicans in the Government now, and the course of the last seven years will be followed.

Q Do you care to identify any of those who have been asked to come to Washington?

THE PRESIDENT: No.

Q Is there another portion of the Reorganization Plan unfinished--in other words, do you intend to send up another?

THE PRESIDENT: No, there is only one thing coming up--Oh, I suppose it is all right to mention it now, though you should all wait until the thing actually goes to Congress. I am sending up tomorrow Reorganization Plan No. V, which I held off last winter because there were very definitely two sides to the case. It is very simple. It is all on one page, transferring the Bureau of Immigration and Naturalization from Labor to Justice. You on the Hill know that that has been talked about a great deal and there was a great deal of sentiment for it last winter. Today the situation has changed, and it is necessary for us, for obvious national defense reasons, to make that change at this time; so it is going up as a Reorganization order, with the hope that it will be definitely approved without waiting for the 60 days, because Congress may not be in session at the end of 60 days.

Q Mr. President, does that fit in with the general measures to prevent espionage and sabotage?

THE PRESIDENT: Yes.

Q Are you contemplating any other measures of a similar nature?

THE PRESIDENT: No comments on that at the present time.

Q Mr. President, is there anything you can tell us about your conference tomorrow with Governor Landon?

THE PRESIDENT: I suppose we will talk about a lot of things.

Q Mr. President, do you approve of the bill introduced by Senator Pepper to make available to the Allies first-line military planes?

THE PRESIDENT: I never heard of it until he notified Steve this morning, and no comment was requested.

Q Mr. President, the other night Colonel Lindbergh said this country was in no danger of being invaded, and he had some other things to say about our foreign policy. At the same time it seems there are quite a few jitters about this war news. Is there anything you can say to reassure us?

THE PRESIDENT: I can tell you off the record, the fact is that I have been so busy since Sunday night that I have not read Colonel Lindbergh's speech, so I don't know.

Q Can you tell us anything of the report Mr. Morgenthau made to you yesterday on airplane production?

THE PRESIDENT: No, only what he gave out.

Q He said you were going to give it.

THE PRESIDENT: I think the only thing to point out is that we probably have twice as much floor space, taking all the floor space of the companies that would make planes, as they are turning out at the present time; that is the plane minus the engine. The bottleneck exists on the problem of the military, high-speed engines, not on the training planes, which is comparatively simple. I think most of the training-plane engines are around 200 horsepower and most of the fighting-plane engines are around 1,000 horsepower. There is the bottleneck--to get the production of engines up. Two of the companies are proceeding with production as fast as anybody could expect or wish, and they are very near up to capacity. I think they are up to capacity of their existing plants at the present time. The third company is way behind in getting into production. They should have been in production several months ago, and they are not in production at the present time.

Q Off the record, is that Allison?

THE PRESIDENT: Yes, off the record, it is Allison. I do not want to name specific companies. They have been having great trouble in getting into production. It has nothing to do with the Government. Of course also we have got to get additional facilities for increasing the output of these 1,000 horsepower engines. Increasing the 1,000 horsepower engines for the fighting type of plane--that is the principal problem at the present time.

Q Is there any thought that the producers of the lighter engines could convert into production of the larger engines?

THE PRESIDENT: I understand that one or two of those larger engine companies--I do not know which ones--have agreed to authorize the production of their engines for other planes. Whether all three have done it I do not know. That would mean licensing.

Q John L. Lewis announced in New York the other day that the C.I.O. would go ahead organizing the airplane industry and all other industries involved in the national-defense program.

THE PRESIDENT: What do you mean by that?

Q That is what he said; that was approximately his language--that he would organize the entire airplane industry.

THE PRESIDENT: That is legal if he does it, isn't it?

Q I guess so.

Q What would your attitude be if that resulted in strikes that held up the work?

THE PRESIDENT: I don't think this country is going to have many strikes. I think you might put it this way--unless you have enough for a story?

Voices: No, go ahead.

THE PRESIDENT: I would put it in three ways; in the first place, I think the country, on the whole, is pretty well united in understanding the needs of the present situation; and the faster the news comes in from the other side, the more united they are. I won't tell you, but you are probably getting the story from

others, of those three to five million women and children and a few old men who are fleeing southward on any available road on a front of about 250 miles, with roads blocked, nearly everybody either on foot or in a bullock-cart; and at the same time enemy planes are swooping down those roads with their machine guns wide open, and the toll of death of those women and children and old men is something probably the world has never seen before. I think the country realizes some of the implications of that disaster and of that method of warfare.

Now, the three things, with that preface, that I would like to point out are that on the question of the work that is being undertaken and will be undertaken and will probably continue for some time to come there are two pretty good rules: The first rule is, I don't want to see a single war millionaire created in the United States as a result of this world disaster. I think everybody is entitled to make a reasonable profit.

No. 2: I do not think that Labor will seek to take advantage of the situation by getting into a position where by striking, where they hold the key to some important production, that they will take advantage of that power to seek special increases in wages or special privileges that the rest of labor does not get--the whole objective being to prevent anybody, either capital or labor, from getting rich out of world disaster.

And then the third point, which ties in with the other two, is very definitely Government policy in no way to weaken the social gains that have been made in the last few years. That is very, very important. That covers a lot of suggestions that have been made that would weaken the gains that have been made. I think it covers it pretty well.

Q Does that cover the suggestion that the hours provision of the wages and hours law be relaxed?

THE PRESIDENT: Yes; in other words, what I would like to say about it in the easiest way, so that the public can understand, a 40 to 42 hour-a-week basis.

Q That would do away with the 32-hour week that was suggested.

THE PRESIDENT: Maintain the standard with just as little overtime as possible, because I would like to put just as many of the unemployed back into employment as possible.

Q Mr. President, is the excess-profits tax implied in what you said?

THE PRESIDENT: I have not got to that.

Q Mr. President, a very good story, and we thank you!

Q Mr. President, just one question: It has been said that Mayor LaGuardia is to be appointed as Assistant Secretary of the Navy.

THE PRESIDENT: Oh, that is just one of the hundred names that have been suggested in the public press!

Thank you!

The conference adjourned at 4:20.

CONFIDENTIAL
645-A
Conference with Members of the Business Advisory Council,
Executive Offices of the White House,
May 23, 1940, 4:40 P. M.

MR. BATT: The Council has been meeting this morning and has authorized me to present to you a resolution which I will read to you:

(Reading) "Whereas, developments abroad and the President's program for the preparation of the defense of the United States confront the industrial and commercial interests of the country with a task of unprecedented gravity and responsibility, in which our very lives and liberties may be involved, and

"Whereas, to an extent never before equalled, the operations of the military and naval forces of the United States must be based on an industrial and economic foundation; now, therefore, be it

"Resolved: That the Business Advisory Council of the Department of Commerce recognizes the need for complete unity in the cooperation of all of our country's vital forces, and unanimously pledges its full aid to this end."

The Council has been down here for seven years, Mr. President, at call, and recognizes that the call is greater today than ever before and it pledges its help wherever it can be of service.

THE PRESIDENT: I am very grateful. It is a fine resolution and expresses the present situation pretty well. I thought that what I would do would be, possibly, to say a few words to you in regard to some of the problems and some of what I might call "basic policies" and then, if you want to ask me any questions, go ahead and shoot.

The present situation has been coming on for some time, as we know, and we have accomplished a good deal in the past year or two in the way of increasing the defenses of the country. It has been going along normal lines and, just for example, we have been spending, through what might be called the normal channels, between a billion and a half and two billion dollars on the Army and Navy during the past few years.

This present program is, in a sense, a stepping up of that by another billion dollars.

A good many people -- I wish you could see it; it is one of the things we have to face -- after last Thursday's message I got about five hundred telegrams, of which about four hundred were entirely favorable to increasing the national defenses and about a hundred of them were very bitterly opposed. They said it was excessive, that it would bust the country, that it was a process of getting us into the war of our own volition. Then there was the usual percentage of telegrams: "I want my boys to get jobs here rather than graves in France" -- that sort of thing. But there is, of course, in the country a very large element that is opposed to improving the defenses. We have to recognize that.

Then, of course, the other extreme: There were a lot of people that said that the amount asked for was altogether too small. Well, between these different schools of thought, I took the line which I considered to be the maximum that we could profitably spend or contract for in the next four or five months, for the very good reason that I cannot look very much -- any more than any of us can -- beyond four or five months. If the situation should get worse, as we all know, I would ask Congress to come back; I would ask for more money. Or, if we waited until the third of January, when Congress comes back, I have to send up a budget on the third of January and I don't know yet the kind of budget it would be, whether this program could, by that time, be slowed down or kept the way it is or speeded up, increased. The reason for it all is that no human being can guess about the future.

I was a sort of -- who was the fellow? John the Baptist -- "voice crying in the wilderness" all last Summer. I was perfectly sure that

there would be a war and I had told -- well over a year ago I had told the Senate Committee on Foreign Affairs and the Military Affairs Committee, in here, in a famous session, not that "our frontier was on the Rhine" but that the continued existence of, for example, Finland, or the Baltic States, or the Balkan states, or the Scandinavian nations -- their continued existence as independent nations did have a pretty definite relationship to the defense of the United States. And there was a most awful howl of protest all over the country, as you know, at that time. I was accused of being an alarmist, accused of wanting to send troops to the other side and things of that sort -- I am quite accustomed to that sort of thing -- and, after all, today we are faced with the complete fulfillment of that because practically the whole of Europe is falling into the hands of a combination headed by the Nazi school of thought and school of government with a pretty close association and affiliation with the Communist school of thought and school of government, and a third school which is balancing very carefully on the edge of a knife at the present time, the Fascist school of thought and school of government. We don't know which side they are going in on -- all that we know is that it is not a question of staying on one side, it is a question of remaining neutral a little longer or going in on the side of Germany.

We have to look ahead to certain possibilities. If I had said this out loud in a fireside talk, again people would have said that I was perfectly crazy: The domination of Europe, as we all know, by Naziism -- including also the domination of France and England -- takes what might be called the buffer out that has existed all these years between those new schools of government and the United States. The buffer has been the British Fleet and the French Army. If those two

are removed, there is nothing between the Americas and those new forces in Europe. And so we have to think in terms of the Americas more and more and infinitely faster.

When we come down to this defense problem, you come to another problem we are up against and it is very difficult to know quite how to handle it except all of us work together with the idea of eliminating the problems, and that is what I am going to talk about these coming days. We have had lately, for example, a number of columnists on a chain of papers in this country with a very large circulation which has been advocating certain things. One of the things they are advocating is a separate air force. Well, of course anybody who knows anything about it knows that the one essential in time of war is unity of command.

This is a thing I cannot say out loud: Germany has complete unity of command. France has unity of command. Both of their air forces -- one a very great one, Germany; one a very small one, France -- they have conducted their operations magnificently because of unity of command. The British have not had unity of command. They have a Navy, an Army and an entirely separate Air Force, with the result that there has been constant friction, constant trouble. In these Norwegian operations, the Navy was calling, screaming, yelling for planes up in Norway to effect their landings, to cover their operations when they got on shore. They didn't go to the Army; there was no unity of command and the Air Force did not send them the planes. And, in the same way, in France, the Air Force was very much divided in its opinion -- this you can't, any of you, talk out loud about because, frankly, it would hurt the morale of England and France -- a divided thought between the different branches of service: The Air Force wanted to maintain, to retain the air forces in England. The Army wanted them

to be sent over to France on the theory that the defense of England would be decided on the fields of France and that, if the British Army in France and the French Army in France were completely overwhelmed by the Germans, there wouldn't be very much use in an air force which remained in England because that would be, in turn, overwhelmed after the armies on the continent were completely smashed up. So there; I am just using that as an example.

And then there is in some papers, the columnists and so forth, they talk about this one great crying need in this country and that is a reserve of certain important raw materials. These are self-constituted experts who, as usual, don't know one damn thing about it but have the ability or the profession of being able to get in print. We have, for instance, the problem of certain things that we do need in industry. Well, the thing has been under study for a long time and I suppose the easiest way to explain that this matter was turned over to Harry two or three weeks ago to get unity of command on it. The Army needed certain things, the medical profession needed certain things, the steel companies and the tire companies needed certain things, the Navy needed certain things. But, when it came to be boiled down to one page -- and you know one of the things I always insist on is a one-page report -- there were about twelve of these principal items and about nine of them were purchasable by the Government without a very great outlay of cash. Quinine, three million dollars worth. Chromium, three or four million dollars worth. What were the others?

MR. HOPKINS: Industrial diamonds.

THE PRESIDENT: Industrial diamonds, two and one-half million dollars worth. Things of that kind.

Well, we had an authorization of a hundred million dollars and we

had had an appropriation last year of twelve and a half (millions) for these surplus stock piles and, in this year's bill, another twelve and a half, and I asked thirty-five millions more for these nine, I think it was, of what I call minor items, to purchase them so that the Government would own them and we would have them right here.

There were three items that were a good deal bigger. I am talking as a layman, but, to put it in very simple language, it looked a little like this picture: In the case of rubber we only carry in this country about a normal six months' supply. Most of the rubber comes from the Dutch East Indies. There is a little of it that comes from Central America and a little of it from Brazil. There is also the possibility of making synthetic rubber in this country at a higher cost than importing natural rubber. So the objective was to get the tire companies to lay in a whole year's supply. Well, naturally, the tire companies were not going out into the market to store another six months' or a year's supply at the present prices because they are away up high. I would do the same thing if I were making tires myself. I would hestitate to lay in too big a stock. You all remember what happened in 1929 to companies which had laid in, for example, a very excessive supply of copper at 15 or 16 or 17 cents a pound. They were stuck with a great copper pile at very high prices, and copper dropped to six or seven cents. Of course they were stuck. Naturally. No industrial company wants to lay up reserves at very, very high prices.

We are working out this plan -- it is going on as an amendment to one of these bills: Jesse Jones is handling it. We will set up a corporation -- the Government would buy stock in it -- and, working with the rubber companies, we would buy this rubber at the high prices and hope to God that they could be worked off to industry at the same price

we paid for it. But, if the price went down for these excess stocks in the open market, the Government -- in other words, the people of this country -- would have to bear the loss between the high prices of today and what might be the lower prices of tomorrow.

At the same time, we are working with the rubber people along the other line, that if we cannot get this rubber -- it is still in the trees, mind you; there aren't any great stock piles of rubber in the Dutch East Indies; it has got to be taken out of the trees and if we can get it out of the trees it is much the best thing we can do -- if we cannot because of a blockade or because Germany, for example, cuts off communication between us and the Dutch Indies, we will still be able to have six-months' or eight months' of stock on hand and, during those six or eight months, it will be up to industry to create the necessary machinery for making a synthetic rubber. Now, I am told that that is a practical thing. Of course that would be run by industry itself. That synthetic rubber, as we know, does cost more, but the damn thing works.

Now, the same way with manganese. We haven't got a big enough stock pile of that. It is infinitely cheaper to buy manganese, as long as we can get it, from Singapore and the Straits Settlements than it is to start our own manganese mines going, because our mines are high cost mines. We will set up a corporation to buy manganese as cheaply as we can in the world's markets, at the same time making plans by which, if we are cut off, we will be able to put the American manganese mines into production at a higher price so that they will be giving us an output before the present stock of manganese is exhausted.

Now, the third item of these three major items that will cost a lot of money because of the very big volume is the matter of tin. Of

course tin is selling at -- I don't know what -- twelve hundred dollars, I think it is, at the present time. It is awfully high. Most of the tin at the present time again comes from the Straits Settlements area. We may be cut off from there. If so, we will still have something to fall back on and that is the Bolivian mines in the hope that if we can't get to and from the East Indies we still can get down to Bolivia. If we are cut off from that by water, we have got to do two things: We have got to do what the Germans did, which is go around the country and collect all the old tin we can find. There is probably a good deal of scrap tin that will help in the supply. Furthermore, with the help of the metallurgists, we have got to try to use "ersatz" stuff as the Germans are doing; in other words, other metals as substitutes for tin.

Now, those things are pretty well in hand. That is just an illustration of the fact that we haven't been asleep at the switch.

I use that as an illustration of the point that these self-appointed omniscient people are telling the country that the great problems of national defense are these items that I have just mentioned. Of course they don't know a damn thing about it. And then they talk about a lot of other things, types of planes and things like that. Well, of course none of us here really knows about types of planes. I suppose I am in as close touch with it as anybody but I have to take the word of Army and Navy as to what type of planes they want because they are the fellows that have got to fight (fly?) them. I don't know and I have to take their word for it. They are working extremely well with the airplane industry and, as you probably know, we have got, taking it by and large, of all the airplane plants in this country we are probably only using about half the floor space that is available, counting them all, for the fuselage of the plane. We can increase that, without setting

up a very large number of new plants, probably doubling the output of planes, although we may need more in carrying out this very large program. But we are faced with a bottleneck on certain types of engines. We have got plenty of companies that can make the training plane type of engines of two hundred or three hundred horsepower engines. But there are only three companies at the present time which can turn out the fighting plane engine, which is a thousand horsepower or more. Two of them are in full production, the Wright Company and the Pratt & Whitney Company and they are going strong. They have got -- probably in order to increase output, they have got to start more plants. Some of them would be licensed by them to make these big engines. Some of them the companies themselves would start, preferably west of the Allegheny Mountains and east of the Rockies.

The third company, General Motors, have been having one hell of a time in turning out the Allison engine. They were to have been and expected to be in full production last January and two or three days ago they had only turned out six engines. That is a very serious thing. I am not saying anything; I am not cussing out General Motors. They have had some industrial production problems but it so happens that the most highly organized company for production in the whole United States has fallen down and "'taint" the fault of the Government and all we are doing is patting them on the back and saying "Go ahead, old man; go on. Hurry up! Hurry up! We got to have those engines. We will help you all we can." They say, "Oh, my God; it is the most awful headache." What they are doing -- I think they are doing the best they can but it has been a very, very great disappointment to us that General Motors on the Allison Engine is about five or six months behind. They promise now that they will be in full production by July

and I hope they are right.

So, you see, it isn't all a Government problem. A part of the problem is industry which, I assume, is doing the best it can.

Now, we come down to two or three things I mentioned a couple of days ago at a press conference which, I think, might be called general policy matters. We have got to realize that defense is not merely commercial or industrial but we have got to have a contented people as far as we can get them here, a happy people who are with us in this effort at national unity.

One of the problems we have got is the problem of unemployment and I believe that it may be possible during this period to get rid of a large portion of our unemployment and that involves trying to maintain certain standards. In other words, instead of trying to go up to the time-and-a-half, the overtime method of increasing production, to take on more people and try to limit, as a Nation, the total hours of work to what is the normal amount today, 40 or 42 hours for the week. It may be necessary, if we lack manpower later on, or immediately in certain very highly specialized individual trades, it may be necessary to use overtime in order to get a balanced factory production. But I think it ought to be the general rule, carried out as far as possible, that we will try to avoid overtime, run a standard work week and take up some of this unemployment which is costing all of us money out of pocket all the time for relief.

Well, that is the first point.

And with that goes the general question of trying to maintain prices. That is terribly important. Most of us went through the World War period and we saw a very vicious upward spiral. Well, it was caused by a lack of knowledge of how to do things on a big scale. We, none

of us, knew. We were completely inexperienced during 1917 and 1918. We did the best we could and, on the whole, it was a pretty good job. We were rather handicapped by the fact that before we got into the War, orders from the Allies, at that time, were lopsided, and they threw us out of balance. If you remember, before we got into the War, Allied purchasing had pushed wheat up to two dollars a bushel -- two fifty a bushel. Well, what was the result? The cost of living went up in every community in the United States. Bread. The price of cotton, about the time we entered the war, was up over thirty cents a pound. The price of copper was up around 26 or 28 cents a pound. And the result was that we entered the war on a scale, a level of prices for raw materials that had thrown all of our natural economy out of the window and every working man was saying, "Hey! Look! My costs have gone up -- the cost of living has gone up a hundred per cent. And look at my damn wages! They are not any higher than they were a year ago." Well, it was a pretty good plea. I'd have done the same thing.

I had a man in this morning, before I saw you (indicating Mr. Kirstein). We were talking about this subject. I said, "You remember how everything went up. For instance, the suit of clothes you have got on. What were you paying for that suit of clothes at the beginning of the World War?" "Oh," he said, "around forty dollars." "And what were you paying for that kind of a suit of clothes in 1918? Sixty?" He said, "No. Eighty." Lou Kirstein knows that stuff.

Therefore I have got what might be called a policy or a principle: Let us take agricultural products that enter into everybody's life. I think that if the wheat farmer gets ninety cents or a dollar as a floor for his wheat, it is plenty. He is not going to starve and you are going to have pretty good agricultural purchasing power. That does

not mean, of course, that the price is around that because the farmer that raises wheat gets an average of 19 cents out of soil conservation benefits. If he gets a net of somewhere between ninety cents and a dollar he isn't going to starve and he is going to have buying power for the things that Sears Roebuck puts out.

But, at the same time, we have got to put a ceiling on it and the ceiling ought to be somewhere around what we call "parity," a dollar fifteen or a dollar twenty. That would prevent any serious fluctuation in the cost of bread. The same thing with similar crops. In the case of cotton -- I raise it some times-- if I could get an assured price for my cotton, including the soil conservation benefits, of around ten cents a pound, I am all right. And almost everybody who raises cotton is. And there ought to be a top on it of somewhere around thirteen or fourteen cents. Remember in the World War it went to thirty-five? It threw out the entire economy of everything connected with cotton. All the cotton mills and everything else were all thrown out of line.

The same way with copper. Everybody here knows -- you heard me say this before -- we can turn out all the copper we need in the United States, at a profit, at around ten and a half, eleven cents. They would all make money. They are all making money today with copper selling at ten and a half, eleven cents. They are all making money. I don't think copper ought to go below that. It is a good, reasonable profit. I don't think, on the other hand, that copper ought to go above thirteen or fourteen cents.

So that we can say to the country that the cost of living -- if we can do it -- has not gone up. And, if you do that, you are not going to have strikes and demands for higher wages. Because, after all,

if the average workingman gets about what he is getting now, and the cost of living remains the same, we can call on his patriotism not to profiteer by the war by going on strike and demanding higher wages. And I think most of them will accede to that.

Then it comes down to the second point which relates to capital and labor. We want a profit for capital but I would like to see no new war millionaires created out of this program. We saw a great many before. We saw a great many in England, we saw a great many in France who made very large fortunes out of the death of men, women and children.

It is a fact. I think we ought to work so there won't be any more war millionaires.

At the same time I don't want any labor profiteers. We don't want to see any little key trade in a factory that employs not more than three or four per cent of the employees in that factory who, in a key place, like the pattern makers or the drafting force, hold up and stop the works for the other 97 or 96 per cent of the employees by going on strike just because of the power they have got, being in a key place. There again you have got to appeal to their patriotism. And it is a damn sight simpler for all of us to appeal to their patriotism if we say we are using exactly the same principle for the owners of industry as we are with respect to the workers in industry.

I think that covers the general situation.

When it comes down to the management here, I am going to call on a whole lot of you people, first and last, and fit you into the picture. It is a case of fitting you into the picture. If one of you were to start a new factory or new shop or an extension or an addition to a plant, you wouldn't go out and put that new factory or that new building completely in the charge or under the control of people you had

never seen before, that did not know anything about your company. You would pick out of your own main company two or three people, and to them you would add two or three other people that you got from somewhere else and you would dovetail the whole thing in. Now, that is the way this Government is going to manage the thing.

We are not going -- in the first place it would be unconstitutional -- I am not going to set up a War Industries Board and turn a billion dollar or two billion dollar program over to five complete outsiders who don't know anything about running government. It would be unconstitutional; the final responsibility is mine and I can't delegate it. We are going to bring down maybe five people, or ten, or fifty, and get your help on it. I am going to fit them in into an existing organization. It is a difficult thing to run because it has all kinds of restrictions and checks to it that private industry does not have. We have to make a voucher for everything; it is a headache. We have to get by the Comptroller; that's a headache. We get held up by the Congress; it's a headache. We do the best we can under a system of checks and cross-checks that private industry hasn't got and does not have to have. That is why, in bringing in people from the outside -- I went all through this in the World War -- in bringing people in from the outside, I am going to bring in people who dovetail, who will fit into a system that is a little bit different -- necessarily so -- a little bit different system of management than anything that happens in private management -- and under the law, under the law that has evolved over -- I don't know what, -- 150 years.

You people, you have been of great help in the past. Let me illustrate -- and this is a thing I would rather didn't come out at the present time. This was way back last July -- just to show the process

of this thing. The problem of transportation: You know, I have a lot of good friends in the railroad business. My family was in it, more or less, a great many years; I was brought up in a private car when I was a boy.

I sent for Dan Willard -- Uncle Dan -- about last July or August. I said "Uncle Dan, what are we going to do in case of war? What are we going to do about the railroads?" "Well," he said, "I thought for a long time we would have to go to Government operation and ownership, but I think not." He is a very wise old gentleman and here is what his proposition was: I would rather you didn't talk about this because this is a thing that is not ripe for announcement. It is all ready, but it is not ripe for announcement.

He said, "What I'd do is this:" He said, "I was the manager of the railroads of the United States during the World War. And," he said, "every railroad in the United States and, of course, every railroad president is scared of Government ownership. So am I, and so are you." I said, "Yes, I am. I don't want it; never have."

He said, "I'd take a room and I'd have a double desk in the middle of the room. And I'd take the best railroad operator that you can find and put him on one side of that desk and he will act as the clearing house for the movement of Government needs. Now, that means a whole lot of things. It means the raw material to the factory that is turning out government material. It means the moving of the completed product out to the ship or the Army or the assembly plant and it means, at the same time, moving certain other things, like fuel, to keep the plants running, food to keep the people alive. And this man has got to be the clearing house for the movement of traffic for the defense program, at the same time taking care of the civilian needs of the country. He

will be the Government man.

"On the other side of the desk will be the representative of the railroads. And the Government man will pass the slip across to the representative of the railroads, who will pick up the telephone and clear a jam in the Port of Philadelphia, or wherever it may be."

At the same time, I say to the railroads, "Remember! This is the last chance. If you people don't come through under this, with your own manager sitting there, you know what will happen, whether you like it or I like it or not." And that is one thing we all want to avoid.

"Well," said Uncle Dan Willard, "They'll know that; you won't have to tell them. They know if they fall down on transportation in time of need there will never be any private railroads after that. And that will be enough, in my judgment, to make the damn thing work," says Dan Willard.

Now, the set-up: On one side of the desk, representing the Government, is going to be Ralph Budd, President of the C. B. & Q. I picked him because I know a great deal about him in the old days and I think he is about as competent a railroad operating president as I can get for that job. And, on the other side of the desk, representing the railroads, I have picked John Pelley, to sit as their representative.

I think that is a practical, working, operating scheme, with the knowledge on the part of the railroads that if it doesn't work -- God help them.

I use that as an illustration of how I am going to try to do this thing and, well, a lot of other individual problems, similar to transportation, can be and will be handled that way.

I don't know that there is anything else I can think of at this moment. I will probably think of a lot of things later. Harry, have

I got everything?

MR. HOPKINS: No, I think you have covered it pretty well, Mr. President.

THE PRESIDENT: Anybody want to ask any questions?

MR. BATT: We are awfully grateful to you, Mr. President, because we know the load that is on your shoulders. I have often told you how glad we are that Harry is coming along in such fine manner. We went out on the limb for him and then he got sick and we weren't able to find out how good he is.

THE PRESIDENT: That is right. The only way he is working is that I have got him over in the White House and I put him to bed every night at a reasonable hour and I see that he gets proper food and he is coming along strong. Doctor Roosevelt! There is nothing like it.

MR. BATT: One other thing I would like to say to you is that last September, when the war broke out, American industry did keep the price level.

THE PRESIDENT: Absolutely; it was perfectly grand.

MR. BATT: Well, industry can do that.

THE PRESIDENT: I think you all understand that if we get like what happened in the World War, with the price level going up, with the raw material, the copper in the mine or the cotton in the fields, you almost inevitably get labor trouble. I can hold labor to the present level if I can say to them, "You (industry?) won't profiteer. The cost of living hasn't gone up." I think we can avoid the most dangerous spiral and, of course, the trouble with getting into that spiral is that all of labor is discontented except the last trade that got the last raise.

MR. BATT: You give us the command and we will march behind you.

CONFIDENTIAL
Press Conference #646
Executive Offices of the White House,
May 24, 1940, 10.41 A. M.

THE PRESIDENT: Hello, big boy; how are you?

Q (Mr. Tom Reynolds) Fine, thank you.

Q (Mr. Earl Godwin) I had a fine sleep; good morning.

THE PRESIDENT: There he (Mr. Godwin) is, with a cigarette behind his ear. Don't try to write with it. Like me, sometimes, I get my cigarette out, put it in my holder and light it and then I search my pocket for the holder and cannot find it. Isn't it terrible?

Q (Mr. Godwin) Yes.

THE PRESIDENT: It is a sign of age.

MR. DONALDSON: All in.

THE PRESIDENT: I think the only thing I got today relates to what might be called the base course for pilot training and this part of the program is now essentially complete. It goes back to 1939 (when) I asked Congress for funds for training of air pilots in the base course. Congress appropriated $4,000,000 and the Civil Aeronautics Authority carried this training out -- "Primary Pilot Training" and has already given that training to 10,000 people, which is at the rate of about 175 a day. So that, by the thirtieth of June this year, which is the end of the college year, there will be approximately 10,000 new civilian aviation pilots who have taken the base course.

The new program calls for expanding this production of civilian pilot training during the coming year from 10,000 to 50,000 and will be carried out by the Civil Aeronautics Authority by an expansion of their present system of training in base courses. When it is completely

mobilized, there will be about 550 of these Primary Training Centers throughout the country. In addition to those 10,000 students who will have finished their course next month, the CAA gave advance training to 1,925 pilot instructors.

In other words, we not only expanded the training facilities but increased the efficiency and the numbers of civilian pilots who already held primary licenses. These pilots, it should be made clear, are not, of course, finished military material but, having taken their base course, they are of much greater value to the Army and Navy than if they were totally untrained.

The course runs about three months; so you save about three months through this preliminary training.

This has been approved by the Army and Navy and the money for it will come out of a special supplementary appropriation and not out of the bills that are in the process of going through at the present time. Those bills take care of the advanced training for the Army and Navy.

Q Sir, may I ask what you said about coming out of a special -- authorization?

THE PRESIDENT: Supplemental.

Q A supplemental?

THE PRESIDENT: Yes.

Q Mr. President, now that the schools are closing in June, will the training be continued during the summer?

THE PRESIDENT: Oh, yes.

Q The schools close in June?

THE PRESIDENT: Oh, yes; there won't be any closing down.

Now, the people who will go into this will come from three sources: 435 colleges and schools that are now cooperating in the original program

and from other schools that desire to participate.

Secondly, from a large group of citizens who already have pilot licenses, or have had them but for some reason or other have ceased to fly -- have gone into other occupations.

And, third, from the proper age group of citizens who are not in college but who desire training for the purpose of making themselves available for military training in aviation if called on.

And I want to call attention to the fact that a group of able and well-known citizens have already sensed the necessity and value of this expanded program and are eager to promote its expansion, and we are very glad to have their support.

Q Mr. President, does that include ground work in aviation?

THE PRESIDENT: No -- you mean the mechanics?

Q Yes.

THE PRESIDENT: That is a different subject; we haven't got to it yet.

Q May I ask about the third group, the unorganized group of boys not in college? Should they head for the CAA?

THE PRESIDENT: That is to give a chance to boys who are not in college.

Q The boys ask me where they should go. Should they head for the CAA?

THE PRESIDENT: Yes, this is all under the CAA.

Q The boy who has that ambition should apply to the CAA?

THE PRESIDENT: Yes.

Q How much money is involved in this program?

THE PRESIDENT: I cannot tell you that because I cannot until the thing goes to Congress.

Q There will be another Message to Congress on this?

THE PRESIDENT: No.

Q Does that base training, you speak of entitle the trainee to a commercial

license when he is through, or an ordinary civilian aviator's license.

THE PRESIDENT: That I could not tell you; I do not know. And, of course, not all of them will pass well enough to be taken into the Army or Navy finishing school.

Q Mr. President, does this contemplate sending 50,000 men through this basic course next year?

THE PRESIDENT: Yes.

Q Mr. President, does this mean that a man who is not a college man can become a pilot?

THE PRESIDENT: Well, that is the whole point of it. That is the third group. The first group is the boys in schools and colleges; the second group of people, those who have had their licenses and have ceased to fly, and the third is the proper age group of citizens who are not in college.

Q When you speak of next year, you are speaking of the calendar year?

THE PRESIDENT: The fiscal year.

Q Then that is right on us?

THE PRESIDENT: Yes.

Q Will provision be made to put these people in reserve or anything of that kind?

THE PRESIDENT: Yes.

Q Would you consider making the young men in the Government here a group, as you do with those in colleges?

THE PRESIDENT: What?

Q There are numerous young men in the Government service here who would like to do this as a group.

THE PRESIDENT: What do you mean, "as a group"?

Q Just as you take a group out of college?

THE PRESIDENT: It is not a group; they are individuals. I do not quite understand.

Q I understood it was arranged through the college, for that college group, and non-college groups come in --

THE PRESIDENT (interposing): I cannot tell where they go. They go to one of these college training courses.

Q But here, in Washington, is concentrated a large group of young men in the Government who might like to arrange to do that.

THE PRESIDENT: They can do it as individuals.

Q What is the "proper age group" you refer to?

THE PRESIDENT: I do not know. Do you know what it is? Anybody know?

MR. EARLY: I should think it would be about eighteen to twenty-two years -- in there.

THE PRESIDENT: Steve thinks eighteen to twenty-two, but you had better check. (Laughter)

MR. EARLY: You asked me -- I will guess.

Q That would be very interesting, to get that age.

Q Mr. President, how far have your plans progressed to bring in the outsiders in the national defense program.

THE PRESIDENT: Very well; coming along all right.

Q Any announcement? When do you expect them?

THE PRESIDENT: Oh, from time to time. No general announcement to cover the whole works. For instance, this (indicating a memorandum on civil aviation) will take a whole lot of people coming from the outside.

Q Mr. President, we have not had a chat with you since you saw Governor Landon. I think -- is there anything you would like to add to what has already been guessed?

THE PRESIDENT: Oh, I do not think so. I think Steve's (Mr. Early) statement covered it very nicely. (Laughter)

Q General Jackson yesterday indicated there may have to be some anti-trust

leeway in the production programs. Will you elaborate on that at all?

THE PRESIDENT: No, I do not know anything about it except, of course, as I said before, we are -- this is just the opposite, the converse -- we are arranging for cross licensing which, of course, is getting away from trusts. It is just the opposite.

Q Mr. President, General Jackson also said that you have been aware for quite a while of "fifth column" activity and we tried to get more specific details and were not very successful. I wonder if you could explain to us just what form that activity has taken?

THE PRESIDENT: I do not know. I haven't got time to explain statements that are made by columnists that, just plain, are based on imagination.

Q Still, General Jackson said that you had been aware of it all the time. (Laughter)

THE PRESIDENT: Did he, really? You see, if I once started to answer questions of that kind there is no end to it.-- you see columns of that type are about 60 per cent based on imagination. (Laughter)

Q I referred to Attorney General Robert Jackson in his statement at a press conference yesterday. (Laughter)

Q He is getting Johnson and Jackson -- (Laughter in which the President joined)

THE PRESIDENT: I get it, you mean Bob Jackson? (Laughter) That is a very different thing. (Laughter) That is a very, very different thing. What did Bob say? (Laughter)

Q Mr. President, does he rate 60 per cent? (Laughter)

Q He said that you had been aware for a long time of "fifth column" activities and that you had taken steps to meet them, and I wondered just what form the fifth column activity takes?

THE PRESIDENT: Well, I suppose the easiest way to answer it is to give you

one of the sources of information, some of it good, some of it not so good. Go back and read all about the Dies Committee hearings.

Q Mr. President, in your conference yesterday with Mr. Louis Kirstein, did you discuss the possibility of his additional service to the Government?

THE PRESIDENT: No. Of course all those stories about people coming in here and they are individuals, they are all cockeyed. Only the Press won't admit it. Having gone out on a limb on the Coalition Cabinet, and finding they are out on a limb, they are now trying to brazen it through. Now, that is not the fault of most of you boys; it is mostly the fault of the desks. You have known for some time that this coalition thing is made out of whole cloth but it is continued to be used in editorial columns and columnists, et cetera and so on, and that is all there is to be said about it. They keep on using it. I think the American people know pretty well. It is not a case of barking up the wrong tree; it is a case of having gone out on a limb and then having sawed the limb off.

Q What did you discuss with Governor Stark of Missouri? He came in late yesterday.

THE PRESIDENT: Oh, the Governors' Conference. They are having the Governors' Conference up in Duluth, I think somewhere around the second of June.

Q Is it planned to ask the governors to cooperate with the national defense program?

THE PRESIDENT: Well, I do not think the governors will be asked to, because I think this meeting is for them to tell the Federal Government how fine they think it is and how they intend to cooperate and, of course, we will get complete cooperation, without any doubt, from all the governors.

Q Did you, by any chance, discuss a Cabinet post with Governor Stark?

THE PRESIDENT: No.

Q Mr. President, does the Administration favor extension of the current sugar quota law at this session of Congress?

THE PRESIDENT: I do not know. I guess you will have to ask the State Department because I have not heard about it for a whole month.

Q Did Governor Stark indicate what lines that state cooperation might take?

THE PRESIDENT: No.

Q Mr. President, can you tell us anything about reports that the housing program will be tied more closely in with the national defense program?

THE PRESIDENT: Well, only this, that I told three of the members of the House who came down the other day that I hope very much that there would be authorization and appropriation to carry on the housing program, not only in the urban slum clearance end of it but also that there be wide enough authority so that if a new plant is started, for example, in a small community of four or five thousand people, and that plant employs four or five thousand people, including their families, obviously there is not enough housing to take care of those people, and that I feel that the additional money for the Housing Administration ought to be big enough to take care of that particular problem.

Q Can you tell us what was the apparent reaction to that?

THE PRESIDENT: They rather liked it. They thought it would help them to overcome opposition to housing.

Q Have you learned from Mr. Early the age limits of those -- (Laughter as the President held up a sheet on which Mr. Early had written "18 to 25 years")

Q Eighteen to twenty-five years.

MR. GODWIN: Thank you, sir.

Q Mr. President, do you favor Senator Pittman's Bill to authorize this Government to build war materials for the Latin-American Governments?

THE PRESIDENT: No, you will have to ask the State Department.

CONFIDENTIAL
Press Conference #647
Executive Offices of the White House,
May 28, 1940, 4.12 P. M.

(Assistant Secretary of State Breckinridge Long, Mr. Frank C. Walker and the three Administrative Assistants, Mr. William H. McReynolds, Mr. James H. Rowe and Mr. Lauchlin Currie, were present at this Conference.)

Q Big house today, Mr. President.

THE PRESIDENT: I guess it is going to be a big Conference today.

Q It is running very big.

Q The biggest. You have stolen the spotlight from Congress.

MR. DONALDSON: All in.

THE PRESIDENT: Since Sunday night I think I can call your attention to the flood of mail and telegrams that has been coming in -- we have not finished opening and examining yet -- from people offering help, almost every known way. About half of them -- for instance, Steve (Mr. Early) says they have examined 2,000 letters already and that is by no means all that have come in -- of course there are an awful lot of telegrams, too -- about half of them offering personal services, retired officers of the last war, men, dollar-a-year men, other experts, engineers, physicians, pilots, chemists, et cetera, and a very large number from local labor unions, Chambers of Commerce, and various business associations, offering the services of their groups. A great many offers of sites for manufacturing purposes, coming from public officials or Chambers of Commerce. A great many factories in toto are being offered for various purposes. Shipbuilding plants, furniture companies, manganese mines, airplane parts, bedding companies, aviation mechanics training schools, canning company, machine tool company, another airplane company, a shirt factory, another bedding company, a general contracting

company, an aviation ground school, a cigar company, a publishing company a motion picture company, a yacht, tool and die makers, financial experts in aviation, et cetera and so on. In other words, they are coming in from all over the country.

In addition to that, prior to what I said about the Red Cross the other day, I had a great many checks actually mailed in that had been received. Of course they go straight over to the Red Cross. One gentleman sat down Sunday night and sent me a check for $15,000 for the Red Cross. That happens to be the biggest but there are a lot of others, very sizeable ones. In other words, the answer has been fine all over the country. I am very, very appreciative of it and I think people understand the seriousness of the situation.

At the same time, I think people should realize that we are not going to discombobolate or upset, any more than we have to, a great many of the normal processes of life. There is one of the ladies in the room, for instance, who was going to ask that question and wanted to know whether we are not only going to have no new automobiles next year, new models, but whether it meant a lot of other things that could be put into the luxury class would have to be foregone by the population and -- I am not looking at anybody; I am looking at the ceiling -- the answer is that this delightful young lady will not have to forego cosmetics, lipsticks, ice-cream sodas and -- (Laughter)

Q (Miss Fleeson) Thank you, Mr. President. (Laughter)

THE PRESIDENT: All right, Doris. That does it. In other words --

Q (Miss Fleeson, interposing) That really wasn't what I was thinking of.

THE PRESIDENT: No. We do not want to upset the normal trend of things any more than we possibly can help.

Now, that brings me down, by logical sequence, to the size of

this present program. This is not like April, 1917 -- Fred (Mr. Essary) and I remember those days; very few other people here do -- when we were attempting to organize an army of 4,000,000 men. We have not, certainly at this time, that in mind. I suppose the easiest way to put it is this way, in terms of dollars: Roughly speaking, at the present time we are spending about $2,000,000,000 a year on the Army and Navy and this new program superimposes only a little over a billion and a quarter to that existing program. Of course the speed of the World War was infinitely greater because of the size of the Army we were putting together. Therefore this is not complete, immediate, national mobilization. We are not talking at the present time about a draft system, either to draft men or women or money or all three. We are trying to get -- expend about a billion and a quarter dollars more than the normal process. And, in order to do that, it has seemed wisest to put into effect what has been ready and planned for, for a long, long time, under an existing statute, without having to go and propose something entirely new in the way of legislation that would take weeks and months and a great deal of pro and con discussion, partisan and otherwise, and would probably end up in practically the same thing that we have got on the statute books now. In other words, I am reviving the Commission of the Council of National Defense, which is provided for under the old law. The old law of 1916 set up the Council and I think you can come pretty close to regarding the Council itself, because the Council consists merely of six Cabinet Officers, who will meet every Friday anyway and who work and who are expected to work on the coordination of the whole picture, through this Commission, which is set up under Title -- Section II of the Act.

The Council nominates to the President and the President appoints this Commission of not more than seven persons and is supposed to be

made up of people with special knowledge in certain very wide field or fields. They are to serve without compensation, except their expenses are paid, and they would perform essentially the functions of several of the old war bodies, including the Munitions Council -- whatever it is -- the Munitions Board.

Now, of course, nearly all you young people think the Munitions Board built things. They did not. I, for instance, as Assistant Secretary of the Navy during that whole period -- and I guess I ought to know -- when we wanted some structural steel for new destroyers, we would go to the Munitions Board and say to them, "We want this and here are the different firms that can turn these out. What is the condition of those firms?" The Munitions Board would know -- and this Commission of the Council of National Defense, they would have the same information, the would act as clearinghouse -- and they would tell us that, let us say, Bethlehem was chockablock on that type of steel -- just using this as an illustration -- but that Carnegie could fill it and would we please place the order with Carnegie. And we would say, "How about price?" and they would say, "We have got that all fixed up; we have got a definite schedule of prices." So the order would go to Carnegie for all this structural steel. Then we were required to make a report to the Munitions Board, as a report would be made to this Commission of the Council of National Defense, every week, as to how the order was coming along. The Navy, of course, placed the order -- the Army placed their orders -- and if the order was not being turned out with sufficient speed, if we were dissatisfied, it would be the Munitions Board, or here the Commission of the Council of National Defense, which would find out why the order was being delayed. Then, when the order was ready for shipment, in those days we would notify the Railroad Commission -- that

was Mr. Dan Willard -- that the stuff was ready to ship and he would try to see to it that there wasn't any bottleneck in the transportation of that steel from the manufacturing plant down to the shipyard where it would go into the destroyer. This obviates a part of that old trouble of having to go to different places because these seven people who are set up here on this Commission cover, for the present, the various fields of activity that have to be coordinated.

Now, that is the way the thing works. The Commission would act as the coordinating agency for Government orders and, as always, and under the law, the Government order having been approved by the Commission as to which place it should go, and the price at which it is contracted for, it is then turned over to the manufacturing plant and from then on, if there is any question of delay, either in manufacturing or in transportation, this same Commission tries to get the kinks out of the delay and any kinks out of the transportation itself. Of course, at the present time, as we all know, on the transportation end there aren't any kinks because the railroads are fully capable of carrying all of the present volume of business speedily and quickly.

And then, of course, there are other things we have to think about and that is why, out of these seven people, we have taken in practically all of the necessary activities of civilized life in the United States at the present time, including cosmetics. (Laughter)

Q Have you the name of the director? I believe the old Council had a director in addition to the Cabinet Officers.

THE PRESIDENT: No, I do not think so. It has a secretary and the man who will act as secretary to this Commission, the Advisory Commission for the Council of National Defense, is going to be our old friend, McReynolds (William H.), for the very good reason that he knows every

statute on the statute books and knows what each Government department or agency does, which very few outsiders, when they first come down to Washington do know about and it generally takes them two or three months before they learn their way around the Capitol, or even -- what shall I say? -- the Department of Commerce Building. (Laughter)

The seven people will handle the following:

No. 1, industrial materials: that is Mr. Edward R. Stettinius, Jr. Now what -- this definition was an awfully hard one to find words for that would really describe it -- what we mean by "industrial materials" is, oh, what? Starting with -- using the illustration -- the ore in the Mesabi Range, in the ground, the getting of that out, the getting of it down through the Great Lakes to the steel plant, the making of the steel billet and then, the next step, the making of the unfinished piece of steel, the rolled steel or the tin plate or the block, the engine block, before there is any machining done on it. In other words, not the finished article. You see the difference. Everything up to but not including the finished article.

Now, to use the same analogy, that is Stettinius' job --

Q (interposing) Mr. President, of course we know who Stettinius is, but would you mind identifying these people as you go along?

THE PRESIDENT: He is Chairman of the Board of Directors of the United States Steel Corporation.

And then the next one is the man in charge of industrial production. The first (Stettinius) is the materials man up to the making of the finished article, and then the man that runs industrial production -- well, that means turning out the tank itself and the engine for the tank; the plane itself and the engine of the plane. I would even go into textiles: the uniform and the dungarees, but not the cotton cloth --

it is a different industry -- and he will be Mr. William S. Knudsen, President of the General Motors Corporation. Mr. Knudsen has accepted subject to check with his corporation. In other words, he had not taken it up with them when I talked with him and he is going to let me know tomorrow.

Q Has Mr. Stettinius accepted?

THE PRESIDENT: Mr. Stettinius -- all the others have accepted.

Q Is this a full-time occupation for these men for a while?

THE PRESIDENT: Well, I will come to that. Will you ask me that again when I am finished? Some are and some are not.

Those are the two on the industrial end. Then, of course, we have to tie in all of these other things that have to go with it: the question of employment as a general thing, well, that means employment in plants. It means employment in apprenticeship, like the NYA; teaching the CCC boys to do noncombatant work; turning out ground crews for aviation fields; turning out -- this sounds silly but it has turned out to be quite an important thing -- turning out cooks for the Army and Navy, for camps. We have a terrible shortage of cooks. Turning out radiomen, communications people, things of that kind, this general subject of employment, of a noncombatant class. And Mr. Sidney Hillman, President of the Amalgamated Clothing Workers of America, will be in charge of that.

I will tell you, off the record -- but for heaven's sake do not attribute it to me because somebody will call me names -- he is just half way between John Lewis and Bill Green. (Laughter)

Q (Mr. Godwin) Very well taken.

THE PRESIDENT: That is for guidance but not attribution. (Laughter)

Q (Mr. Godwin) Half way to what?

THE PRESIDENT: Then, of course the next big subject is farm products because they all fit into the general picture. Farm products for our own consumption and farm products for shipment outside of the country -- and I am asking Mr. Chester C. Davis, who is now on the Board of Governors of the Federal Reserve System, to handle the coordination of that.

Then, the next is transportation and Mr. Ralph Budd has been ready, since last September, to take over that -- all transportation.

Q Will you identify him, sir? I have forgotten where he comes from.

THE PRESIDENT: Ralph Budd is Director of the American Railway Engineering Association but I think -- isn't he Chairman of the Board of the C. B. & Q. too?

Q The Burlington, yes.

THE PRESIDENT: Then you come to two elements that we have to take care of. I suggested this in my speech the other night -- trying to stabilize prices. The first is the raw material price and the man who has had the greatest experience in it, representing the Government but also apparently getting on extremely well with a lot of industries, is Leon Henderson, who will do that in addition to his present SEC job, and at the present time, coming back -- well, I will come back to that later -- that is not a full-time job.

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And, finally, the adviser on consumer [protection] production, which is very important, Doris (Miss Fleeson), and we have asked and she has accepted it subject to the president of her university letting her go, Miss Harriet Elliott, Dean of Women at the University of North Carolina, who has had very long experience in the problems of consumer prices.

Q Is that Elliott" with one "t" or two "t's"?

THE PRESIDENT: I think it is two "l's" and two "t's", the way I have it -- I won't guarantee it.

Now, coming back to your question, obviously the first two, Mr. Stettinius and Mr. Knudsen, are full-time jobs, right away.

On the employment angle, that will be almost a full-time job from the start, especially in setting up all this training work.

The adviser on farm products, Mr. Davis, that is, I think, from now on, for a while anyway, will be a part-time job.

Mr. Budd will definitely be a part-time job, and the first of his work will be setting up the machinery which would become necessary if we get into a transportation jam later on. The main thing for him to do now is to set up his machinery to meet a potential future jam.

Leon Henderson, as I suggested, is a part-time job. Of course, on price stabilization of raw materials there is very little that needs to be done at the present time and he would set up what might be called a statistical office to keep in touch with price trends from now on.

The same way, Miss Harriet Elliott, it is only a setting up job because she will have to get her machinery to give her, from day to day, the trends on consumer prices in different parts of the country.

Then, they are to meet here on Thursday with me, and the work will start and I am -- as I said, McReynolds will act as secretary to this body and be a clearinghouse, in a sense, himself. For example, this list of factories and sites, et cetera and so on, will go right to Mac as the secretary of this group of seven and he would give a copy of each of the things to each of the group of seven so that we could avail ourselves of the offers that have been made in case the group of seven finds we need it. In the same way, the people who have offered their personal services, all of these letters would go over to Mac. They would be listed and turned over to these people who would have to set up certain machinery with new personnel.

And, finally, I think the last part of the story is that I am adding probably two more Administrative Assistants to the President but I am not yet ready to give you the names. That will be in a few days.

Q Will Mr. McReynolds retain his status?

THE PRESIDENT: Oh, my, yes; yes. Oh, there he is. (Indicating Mr. McReynolds)

Q Where do the six Cabinet Officers -- I have lost track of them?

THE PRESIDENT: I do not think you need bother much about that. (Laughter)

Q Is that the Council --

THE PRESIDENT (interposing): The law sets them up as the Council of National Defense.

Q That is the Council and this is the Commission?

THE PRESIDENT: But the Council will never meet except on Friday, at Cabinet meetings.

Q This is the Commission?

THE PRESIDENT: This is the Commission.

Q But does it report to the Cabinet Officers?

THE PRESIDENT: I suppose theoretically; you can forget even that.

Q Will you give us the chapter, for text purposes, of that law?

THE PRESIDENT: Title 50, Chapter I --

Q Title 50 of the laws of what?

(Mr. McReynolds spoke to the President)

THE PRESIDENT: Section 2 of the Act of August 29, 1916, 39 U. S. Statutes, 649.

Q What is the title of the Act, Mr. President?

THE PRESIDENT: I do not know. What is the title of the Act, Mac (Mr. McReynolds)?

It says "War" at the top of it. Oh, "Council of National Defense."

Q Thank you, sir.

Q We could forget the Cabinet Officers if we knew who they were. You cannot

forget people --

THE PRESIDENT (interposing): Oh, well, there is War, Navy, Interior, Agriculture, Commerce and Labor.

Q Yes, sir; we will now forget them.

Q Mr. President, another phase of this program -- these new taxes, new national defense taxes that are going to be imposed: do you believe that some of them should be consuming taxes, or consumers' taxes, rather?

THE PRESIDENT: Haven't they given them out?

Q They announced they were going to raise six or seven hundred million dollars in taxes and have not said yet or given us any indication where they fall.

THE PRESIDENT: They meet at ten o'clock in the morning. I do hope -- I can give you a tip on what I want but it is almost certain to get back and they will say that it came from me. I will take my chance and give you a tip nevertheless, but it does not come from me. My general idea has been that it would be, in effect, a little of what I did in my last year as governor. I was not getting any money at all from Washington for relief and I had to raise a lot of money to take care of the State of New York's relief so we put on a flat percentage tax on all existing State taxes. Well, the easiest way of describing it down here is that any one of you lucky fellows who paid an income tax of a thousand dollars a year, you would have to pay another hundred dollars, and if you had to pay a liquor tax, you would have to pay 10 per cent more. In other words, a slight percentage additional tax, based on the percentage of what the present taxes are.

Q That percentage would be up, on the basis of your income now, would be up --

THE PRESIDENT (interposing): About six or seven hundred thousand dollars (hundred million dollars).

Q It would have to be a 25 per cent increase, wouldn't it?

THE PRESIDENT: Ten per cent. Your taxes are bringing in now around 6 billion, 6½ billion.

Q That is all taxes?

THE PRESIDENT: All taxes, yes.

Q That includes social security?

THE PRESIDENT: Oh, no; that is out. That is out.

Q All excise taxes?

(The President indicated in the affirmative.)

Q Did you say this Commission had no chairman? Did you say there is no chairman of this Commission?

THE PRESIDENT: May (Miss Craig), I do not know. Why bring up the subject? I don't know.

Q It is hard to function without a chairman.

THE PRESIDENT: Let Mac (Mr. McReynolds) be the chairman; he is the secretary. In other words, let the secretary call the meeting together. I do not know what the procedure will be. I do not think it will be formal. I think it will get on.

Q Will you have to have a special appropriation to finance this Commission, or have you the funds out of which to pay?

THE PRESIDENT: I do not know. It will be a very small amount, less than a million dollars.

Q Have you decided where this Commission is going to be housed?

THE PRESIDENT: Going to be housed? Oh, my God, I do not know. (Laughter)

CONFIDENTIAL
Conference #647-A,
Conference on National Defense,
Held at the Executive Offices of the White House,
May 30, 1940, 12.15 P. M.

Present: Advisory Commission to the Council on National Defense:

Edward R. Stettinius, Jr.
William Knudsen
Chester C. Davis
Ralph Budd
Leon Henderson
Miss Harriet Elliott
William H. McReynolds
(Absent: Sidney Hillman)

Secretary Morgenthau
Secretary Woodring
Attorney General Jackson
Secretary Edison
Secretary Ickes
Secretary Wallace
Secretary Hopkins
Director Smith
(Absent: Secretary Perkins)

Senator Barkley
Representative Rayburn

General Marshall
Admiral Stark

Secretary Early
General Watson
Captain Callaghan

THE PRESIDENT: This carries me back a long ways, twenty-three years, twenty-four years and the situation is a little bit like the World War period but it differs also in a great many respects. In 1917 we undertook to complete national mobilization. There had been practically nothing done before the sixth day of April when we actually went into the war. We had no system, we had no plan and there was imposed on the country rather slap-dash methods. The duty of organizing an Army of between four and five million men, and almost doubling the size of the Navy, and

there was evolved from it a system which on the whole worked fairly well but was very weak in a great many other particulars.

We paid very little attention in those days to certain economic factors. Well, for example, in the spring of 1917, because of the two previous years when we were not in the war but theretofore, a very vicious spiral had begun, in fact it had got so far under way that it was practically impossible to check it. It related to all kinds of things that people buy and it upset very greatly the whole scale of wages, methods of employment and everything else.

Just for example, before we got into the war wheat was selling for 2½ dollars a bushel. Well, that affected every family in the United States. It is a perfectly absurd price, of course, because the wheat farmers at that time were perfectly capable of making a good living with wheat selling at, say, a dollar and a quarter, just half of what it actually was selling at. Cotton was up around 30 cents a pound and the whole life of the South was completely changed. The colored field hand, because of the price of cotton, the tenant farmer, was buying silk shirts. It was not just the worker in the factories. The negro field hands were buying silk shirts. Right, Henry (indicating Secretary Wallace)? It was a terrible situation.

Copper, which at the beginning of the war had been selling at a nice profit, around 9, 10 or 11 cents, was up to 28 cents a pound. The result was that the copper miner was getting 15 and 20 dollars a day. And, as fast as the cost of living went up, labor demanded, I suppose rightly, a higher wage. And the economics of that period became fantastic. Nothing had been thought out on those lines. That is the reason that we have added to this Commission of seven, we put on this Commission of seven, certain people who will have the duty of trying to keep

the economic level as constant as it is possible to keep it.

We have, for instance, Miss Elliott, who is going to -- who has a lot of experience on consumer protection, and Miss Elliott's -- I am starting down at the bottom of the list, in a sense, things like price control at the bottom because that is a thing that affects, ultimately, production, but in the first instance, it affects the lives of the people of this country. There won't be very much work for Miss Elliott to do, except in the beginning, except to get from the different departments all of the daily and weekly figures from all over the country on what the cost of the consumer goods is to the consumer and to stop, before anything gets too far out of line, a shortage, an increase of price that ought not to be justified, and keep in constant touch with the figures.

I do not believe that there is an awful lot of Government action that is needed at the present time. We have got surpluses in almost everything. The shelves are still pretty well stocked, the retail shelves all over the country, but it is something we have got to watch like a hawk to keep it from getting out of line. Now, that is Miss Elliott's job.

In the same way, Mr. Leon Henderson's job is price stabilization in what might be called the non-consumer goods in their raw state, copper and cotton and wheat and steel billets, et cetera and so on.

We haven't got much of a problem at the present time because those articles today are not selling out of line but they may, and he has got to watch that like a hawk to see that they do not sell out of line.

In the same way, in the same general subject, Mr. Davis will handle the farm products end of it on an over-all basis and will try to keep farm products in line with the general economy and see to it at

least that the farmer gets, during this coming period, as much a proportion for his money, for the continuation of his life, as other people are getting. The Secretary of Agriculture, who is here, will say, "We ought to get a little more because the farmer is still out of line." He is. We have had this theory of parity now for a great many years; both political parties have tried to bring the farmer up to what is known as "parity," which means essentially that we have taken an old period, 1908, 1910, in there, where the ratio that the farmer was getting, by way of his share of the national income, was in those days a good deal higher than it is at the present time. We have got to bear in mind that it is the Government objective, not partisan in any way because all parties have agreed on it, we have tried to get the farmer as close up to parity with the industrial worker, the minute man, et cetera, as it is possible to do.

Well, that will be, roughly, the job of Mr. Davis, working in very close touch with the Department of Agriculture.

Then we come to -- let us see -- now we come to another phase, which is not immediate, and that is Mr. Ralph Budd's job of adviser on transportation. I suppose the easiest way is to tell you what happened: Last August, I think it was, realizing that something like this might happen, I asked Mr. Willard, who is a very old friend of mine, who ran the railroads during the war for the Government, to come down here and tell me what sort of a setup he thought we could put into effect, and he said he thought it depends entirely on whether the railroads are going to be taken over by the Government or not. I said that would be the last possible resort; I don't want to set up a system by which the Government would have to take over the railroads. Then Mr. Willard said, "I think the railroads are in much better shape than they were

forget people --

THE PRESIDENT (interposing): Oh, well, there is War, Navy, Interior, Agriculture, Commerce and Labor.

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Secretary Morgenthau
Secretary Woodring
Attorney General Jackson
Secretary Edison
Secretary Ickes
Secretary Wallace
Secretary Hopkins
Director Smith
(Absent: Secretary Perkins)

Senator Barkley
Representative Rayburn

General Marshall
Admiral Stark

Secretary Early
General Watson
Captain Callaghan

THE PRESIDENT: This carries me back a long ways, twenty-three years, twenty-four years and the situation is a little bit like the World War period but it differs also in a great many respects. In 1917 we undertook to complete national mobilization. There had been practically nothing done before the sixth day of April when we actually went into the war. We had no system, we had no plan and there was imposed on the country rather slap-dash methods. The duty of organizing an Army of between four and five million men, and almost doubling the size of the Navy, and

there was evolved from it a system which on the whole worked fairly well but was very weak in a great many other particulars.

We paid very little attention in those days to certain economic factors. Well, for example, in the spring of 1917, because of the two previous years when we were not in the war but theretofore, a very vicious spiral had begun, in fact it had got so far under way that it was practically impossible to check it. It related to all kinds of things that people buy and it upset very greatly the whole scale of wages, methods of employment and everything else.

Just for example, before we got into the war wheat was selling for $2\frac{1}{2}$ dollars a bushel. Well, that affected every family in the United States. It is a perfectly absurd price, of course, because the wheat farmers at that time were perfectly capable of making a good living with wheat selling at, say, a dollar and a quarter, just half of what it actually was selling at. Cotton was up around 30 cents a pound and the whole life of the South was completely changed. The colored field hand, because of the price of cotton, the tenant farmer, was buying silk shirts. It was not just the worker in the factories. The negro field hands were buying silk shirts. Right, Henry (indicating Secretary Wallace)? It was a terrible situation.

Copper, which at the beginning of the war had been selling at a nice profit, around 9, 10 or 11 cents, was up to 28 cents a pound. The result was that the copper miner was getting 15 and 20 dollars a day. And, as fast as the cost of living went up, labor demanded, I suppose rightly, a higher wage. And the economics of that period became fantastic. Nothing had been thought out on those lines. That is the reason that we have added to this Commission of seven, we put on this Commission of seven, certain people who will have the duty of trying to keep

the economic level as constant as it is possible to keep it.

We have, for instance, Miss Elliott, who is going to -- who has a lot of experience on consumer protection, and Miss Elliott's -- I am starting down at the bottom of the list, in a sense, things like price control at the bottom because that is a thing that affects, ultimately, production, but in the first instance, it affects the lives of the people of this country. There won't be very much work for Miss Elliott to do, except in the beginning, except to get from the different departments all of the daily and weekly figures from all over the country on what the cost of the consumer goods is to the consumer and to stop, before anything gets too far out of line, a shortage, an increase of price that ought not to be justified, and keep in constant touch with the figures.

I do not believe that there is an awful lot of Government action that is needed at the present time. We have got surpluses in almost everything. The shelves are still pretty well stocked, the retail shelves all over the country, but it is something we have got to watch like a hawk to keep it from getting out of line. Now, that is Miss Elliott's job.

In the same way, Mr. Leon Henderson's job is price stabilization in what might be called the non-consumer goods in their raw state, copper and cotton and wheat and steel billets, et cetera and so on.

We haven't got much of a problem at the present time because those articles today are not selling out of line but they may, and he has got to watch that like a hawk to see that they do not sell out of line.

In the same way, in the same general subject, Mr. Davis will handle the farm products end of it on an over-all basis and will try to keep farm products in line with the general economy and see to it at

least that the farmer gets, during this coming period, as much a proportion for his money, for the continuation of his life, as other people are getting. The Secretary of Agriculture, who is here, will say, "We ought to get a little more because the farmer is still out of line." He is. We have had this theory of parity now for a great many years; both political parties have tried to bring the farmer up to what is known as "parity," which means essentially that we have taken an old period, 1908, 1910, in there, where the ratio that the farmer was getting, by way of his share of the national income, was in those days a good deal higher than it is at the present time. We have got to bear in mind that it is the Government objective, not partisan in any way because all parties have agreed on it, we have tried to get the farmer as close up to parity with the industrial worker, the minute man, et cetera, as it is possible to do.

Well, that will be, roughly, the job of Mr. Davis, working in very close touch with the Department of Agriculture.

Then we come to -- let us see -- now we come to another phase, which is not immediate, and that is Mr. Ralph Budd's job of adviser on transportation. I suppose the easiest way is to tell you what happened: Last August, I think it was, realizing that something like this might happen, I asked Mr. Willard, who is a very old friend of mine, who ran the railroads during the war for the Government, to come down here and tell me what sort of a setup he thought we could put into effect, and he said he thought it depends entirely on whether the railroads are going to be taken over by the Government or not. I said that would be the last possible resort; I don't want to set up a system by which the Government would have to take over the railroads. Then Mr. Willard said, "I think the railroads are in much better shape than they were

in 1917." He said, "I also know that every railroad president in the United States, and general manager, wants to make a success of transportation in case of a crisis, a national emergency or war, realizing that, by gosh, if they don't, the railroads will be taken over by the Government." Says Mr. Willard, "And every railroad president knows the Government the next time will never hand them back." "Well," I said, "I think that is a pretty good line." And I think that Mr. Willard was absolutely correct.

So I got hold of -- oh, I asked Mr. Willard what kind of a setup he would create and he outlined a setup which he put into the form of an illustration. He said, "I would like to have one room with a double desk in it. I would like to have the Government man on one side of the desk and the representative of the railroads on the other side of the desk. I'd like to have Ralph Budd on one side of the desk as the Government man, and John Pelley on the other side as the representative of the railways." So I talked to Ralph Budd and I asked John Pelley and this particular setup was all arranged -- when was it, last August or September?

MR. RALPH BUDD: September.

THE PRESIDENT: All right. Well, all I had to do was to get on the telephone. Ralph Budd turns up and here he is.

The idea is, and this will come later on, not now, as a necessity for the Army, the Navy or air work, Mr. Stettinius' work on raw materials all kinds of materials just short of the finished product, and Mr. Knudsen's work on the finished product, the moving of the material from the mine to the Lake carrier, to the steel mill, to the finishing mill, to the airplane engine plant and, when that is completed, out, delivery to the Army or the Navy.

Now, as a matter of fact, to carry this out the theory is that everybody concerned with production, even down to the last, will keep Mr. Budd, as the Government man, in touch with the needs for railroad cars and Mississippi barges and canal boats, coastwise shipping and everything else because transportation means every form. Oh, yes, busses and trucks, too. That is a very important factor. We did not have them in the World War much. Mr. Budd will get this advance notice of when shipments are to be made, he will pass a slip across the desk to John Pelley. Is that right, Ralph?

MR. BUDD: Yes.

THE PRESIDENT: And John Pelley will see to it that there is no bottleneck on the railroads, with the certain knowledge -- he is telling the particular railroads involved, "Remember, if you do not clear this bottleneck, if you do not clear this stuff, the Government will take you over." (Laughter) And we think it is going to work awfully well. Now, as a matter of fact, at the present time there is no transportation problem, absolutely none.

MR. BUDD: No.

THE PRESIDENT: But if this thing gets worse, there will be, so Mr. Budd's primary job at the present time is to get the machinery all ready in case there is a much heavier demand on transportation facilities than exists today, so that he can put this clearance machinery at work on pressing the button.

And, of course, it means also that Mr. Budd will take up with the different railroads the problem of additional railroad equipment, either new equipment or the further repair of old equipment.

Then we come down to employment. Mr. Hillman is not here today because he has got a bad case of flu. He will be here on Monday. As I

said to the Press, off the record the day before yesterday, Mr. Hillman is a very old friend of mine and he occupies the psychological position of being exactly half way between John Lewis and Bill Green. (Laughter) You know him, do you not?

MR. STETTINIUS: Yes.

THE PRESIDENT: A good man to work with; very quiet, sensible and, I think, as good a man as we can get. But his problem is not just a problem of union labor. His problem is going to be primarily employment in the widest sense of the term.

Now, as I said to Mr. Knudsen before you came in, a part of this general economy is going to save the Nation money if we can cut down on relief. Relief is costing us a billion dollars, a billion and a half dollars, and it is costing the states and counties and cities another very, very large sum and I want to save money at one end, all I can by cutting down and using that saving to pay, in part, for the munitions that we have to order.

Senator Barkley is here and Congressman Rayburn, the Majority Leader in the House. That does not mean that I am not going to ask for the full appropriation of a billion dollars (for relief) to last until the first of February. That has gone through the House already and is now before the Senate because I think we ought to have the available funds in case we need them. I hope with the pickup that a great many people on relief can be given employment but it is not a certainty yet.

Mr. Hillman will also have general charge of the personnel training in noncombatant work. Now, that means using, building up a great many existing agencies of the Government. It means that we are putting in, I hope -- mind you, a good many of these laws have not finally passed;

most of them have passed one House or the other -- we are proposing to put into the CCC camps noncombatant training.

Well, I will illustrate: One of the great needs is the need for cooks. Now, that sounds silly. We need 10 or 15 thousand cooks, military and naval camp cooks. We haven't got enough male cooks in the United States. We have got to train them; that is noncombatant work. We have got to train a lot more people to be radio mechanics and radio operators. We have not got near enough. That is noncombatant work.

We have got to train automobile mechanics who would not be militarized but we need more automobile mechanics for ground work, for garages and all those things. I am not talking about automobile production. I am talking about the repair gangs that go with a very large mobilization -- Army and Navy. The CCC will be used for that.

Secretary Hopkins, in the last three weeks, has been handling the personnel angle of this whole program and we have already sent to Congress a deficiency estimate of $32,000,000 on that end of it.

Then, we will use the NYA, the National Youth Administration, which already is doing a very large training, vocational training of mechanics, et cetera and so on. It is the elementary part of it, at least it is something to build on, and they will continue that end of the work, the NYA. Then, the CAA, the Civil Aeronautics Authority, is going ahead with the base training of fliers. This year that organization is turning out 10,000 boys who have had the base course and this coming -- from now on they are going to expand the same system, which is running very well -- in other words, I do not like to start a new organization if you have got something you can build on -- and with the help of a very distinguished civilian committee they are going to try to train 50,000 pilots in the base course.

Now, from this civilian training, from a good part of it, these boys and some girls, I hope -- going to put them in if we can -- will graduate to what might be called the post graduate courses. On the raw materials -- not the raw materials but the unfinished material end of things -- some of them will graduate into steel production. Others will graduate into the finished product, automobile production, airplane production, gun plants, and some of them will graduate into the Army and Navy. Some of these fliers and pilots and some of the mechanics will go to the post graduate schools that are run by the Army, San Antonio and several other places, and the Navy down at Pensacola.

Then we come to the two other, the two other "sections," I suppose is a good word for it, beginning at the bottom and, mind you, probably, as I said before, consumer protection, transportation, stabilization and farm products will require relatively, and at this time comparatively small staffs; it is a coordinating job, it is largely a statistical job, so you will know just where the information stands at any time. The employment section will be a good deal bigger, necessarily, and the other two, industrial materials and industrial production will have to be pretty large sections.

Mr. Stettinius will handle all of the materials, as I illustrated, from the mine up to the unfinished steel shaft for a destroyer or the engine block, and then it will be taken over on the production end by Mr. Knudsen's division.

I said to Mr. Knudsen this morning that this is a coordinating job in a way but, at the same time it is a good deal more than that. It is getting things done.

Now, to go back and illustrate the Government relationships to this Commission:

You who are in private business know, I think, that the Government has all kinds of safeguards that have been built up over a period of years so as to prevent the stealing of money by Government employees and it has worked awfully well. In addition to that they put in the Civil Service fifty, sixty years ago, and we want, especially when we are not at war -- we don't want to break down Civil Service or the safeguards. You have to go through a lot more paper work than you would in a private corporation. You have to, because of the enormous size of the Government's business -- $9,000,000,000 this year; it is a big business -- you have to coordinate with a lot more groups than you do in any private industrial company, because they do so many more things, the Government does. And on that end of it, you know, I have appointed the best qualified men I know of, who have been in the Government for a long, long time, and Mr. McReynolds as secretary to you gentlemen.

If you want to know about Government methods -- even people who have been here in the Government, specializing on one thing, they have got a lot to learn. Leon Henderson will have to learn a lot from Mac (Mr. McReynolds). So will Chester Davis, he will have to learn a lot from Mac because, when you are on one particular kind of work for the Government you don't know very much about what is going on in the others. When I was Assistant Secretary of the Navy I hadn't the foggiest idea of how the Department of Agriculture was run. I have learned that in the last eight years from Henry Wallace.

So Mr. McReynolds, with his secretarial staff, will act as a clearinghouse to help you in shortening, cutting red tape and shortening the delays that ordinarily, quite frankly, go with Government business. And he is very good at cutting corners.

And then you will run into another question which you can always

handle through Mac and that is the question of legality about this, that or the other thing. That is why I asked the Attorney General to come in although he is not on this so-called Council of National Defense, and neither is the Secretary of the Treasury, and neither is the Director of the Budget. But there are certain things you will want information about as to legality, whether you can do this or can't do it, and through the secretary you will be able to get, I can assure you, a quick judgment, even though it is a snap judgment from the Attorney General, without delay.

When it comes to a question of finances, you can take it up, either directly or through Mac, with the Director of the Budget, Harold Smith, or the Secretary of the Treasury. In other words, I think we have got the machinery that will save everybody time and work in together.

Then on another phase, your relationship to the Army and Navy -- that is very, very important.

The final determination of the character of Army and Navy materiel has to be made by the people who know best about it, in other words the Secretary of War, the Secretary of Navy, Chief of Staff of the Army and Chief of Operations of the Navy, and we civilians have to be bound -- and the Congress -- in effect, by what they say they need for military operations. We have always done it that way, with certain exceptions where an important committee of the Senate goes twice up to the proving grounds to see a crackpot inventor set off an explosive that does not work. Of course if the members of the Senate want to go up and see pyrotechnics of that kind, it is entirely up to the Senate. Am I right, Alben?

SENATOR BARKLEY: I think so, yes.

THE PRESIDENT: But, in the last analysis, the Army and Navy officers and

heads of their departments have got to determine the needs and the character of the needs. And sometimes they make awful mistakes. I was talking to Mr. Knudsen this morning. One of the first times I ever saw him was up in Detroit, during the war. I think it was the summer of 1918. The Navy had decided that they wanted more mass production in ships and so somebody made the terrible mistake, not of giving the job to Mr. Ford but of designing a ship that was completely unsafe and which, if you turned too short or too fast, would tip over. It was called the Eagle boat and Mr. Knudsen did a perfectly grand job in turning them out -- couldn't have been improved on. But the design was awful. It is the easiest way of telling that story. We have been trying to get rid of them ever since.

MR. KNUDSEN: That wasn't up to us, Mr. President. (Laughter)

THE PRESIDENT: No, the design was entirely the fault of the Navy Department. We have to admit it. However, taking it by and large, the Army and Navy do know more about these designs than any of us and we have to depend on what they tell us. Now, when you come down to this work, either of the materials section or the production section, it falls really into three jobs: The first is requirements. You have to know what the requirements are. Then you have to put them on the schedule. It is a question of priorities. That comes into that, and speed. And then, the third is deliveries.

Now, you won't have -- it will be up to you entirely -- you won't have any trouble when you get these things to the schedule stage, because, after all, that is your business. If you can once get the thing scheduled and under way, then with your inspection and follow-up, you can get your deliveries. But, I said this morning, you are going to have [a] to little trouble in the beginning in getting your requirements

listed.

The total of this program is going to be approximately $4,000,000,000. The regular Army and Navy Appropriation Bills, which were larger this fiscal year, carried a total of about $2,000,000,000. Of course that did include pay of the Army and Navy and food for the Army and Navy and clothing for the Army and Navy. But then, some of these other appropriations include the same items. On top of that, another billion dollars I have already asked for, and a fourth billion dollars that will go up to Congress tomorrow for the Army and Navy. Out of the total of that four billion dollars -- I don't know -- I have not had broken down the amount that goes to pay and food -- have you any idea on that, George, General?

GENERAL MARSHALL: I do not know; the earnings (?) and closely allied products alone will run up to about $700,000,000.

THE PRESIDENT: Yes. So the first job is to go through with the requirements and make the Army and Navy agree exactly what those requirements are. Now, there are a lot of kinks to be ironed out, a great many, especially on aircraft engines. And, during the past three weeks, because we did not have this Commission, the Secretary of the Treasury has been acting as a sort of clearinghouse, because he had been acting as a clearinghouse beforehand on the allied purchases, so it was logical he would act as a clearinghouse on the procurement of engines and planes. So he will work -- that, of course, is a finished product -- with Mr. Knudsen. He will tell him exactly what has been done up to now. He will tell about our efforts to simplify.

The Army had twelve or fourteen training types of engines; the Navy had four or five. The reason for that was a perfectly natural one: The Army wanted to keep the little plants going during the past couple

of years. They wanted to keep them in production and therefore accepted engines that were of a slightly different type and planes that were of a slightly different type. But our thought as of today is that we should simplify and get down to as few different types of planes and engines as it is possible to do.

Then, as I say, on that end of it Mr. Morgenthau and Mr. Knudsen will exchange views and you will get from him everything that has been done up to date on that line. The same way with machine tools, which is very, very important. We have done some preliminary spade work but that part is not straightened out entirely yet.

Then, there is another phase, just to illustrate what we have been doing, and that relates to certain of what they call critical raw materials and that falls into Ed Stettinius' field. Starting three weeks ago, I turned that over, because there were so many departments interested in it, to Harry Hopkins and he has got that in very good shape.

There are, roughly -- what are there, Harry, twelve?

MR. HOPKINS: There are fifteen of them.

THE PRESIDENT: There are now fifteen critical raw materials. Now, of course, if you read some columnists, you would say this country is going to fold up if you did not have a three-years' supply of all these materials on hand.

The problem is much simpler. Out of fifteen different things, twelve of them are very small, both in volume and price, and there is before the Senate and House today, in two different -- three different -- four different bills, a total of $60,000,000 for the purchase of these raw materials. Well, there are things, for instance like three million dollars' worth of quinine for the Army and Navy and Public Health Service

because we haven't got a big enough stock of that. That comes almost entirely from the Dutch Indies. We are trying to buy it now through the Procurement Office and we hope to get in under the wire before the Japs or the Germans take them.

And then there is an item in there for mercury. We have not got enough mercury in this country in storage. There is an item of four or five million dollars for chromium -- things of that kind, all relatively small.

Those are being handled, those twelve items, that comparatively small total of $60,000,000, by the regular Procurement Service of the Government, to which was appointed yesterday Mr. Nelson of Sears Roebuck, to the head of it. And, mind you, a great many of all these articles that are needed by the Army and Navy, a large portion of the purchases will actually be done through the regular Procurement office, which is buying -- I don't know what -- three or four billion dollars' worth of goods of various kinds every year.

Then that leaves you three critical raw materials -- tin, rubber and manganese.

Well, let us take the case of manganese: I don't think the steel people are very much worried about that problem. We are getting most of our manganese from the Straits Settlements at the present time because it is the cheapest place to buy. There is some in Brazil and there is a lot of high-class manganese in the United States. Now, we can't ask the steel companies to lay in a large stock of manganese at a very high price. They now have somewhere around six months' supply on hand.

MR. STETTINIUS: Six months on rubber.

THE PRESIDENT: Is that it?

MR. STETTINIUS: Two years on manganese.

THE PRESIDENT: You see, manganese is not a very serious problem, but we are going to set up a corporation, a Government corporation, and lend it the money through the RFC, and try to get a little more manganese in storage in this country.

At the same time, through Stettinius' organization, he has got to have a study made of how long, in case we get into a long war, how long it would take to put our own manganese mines into operation --

MR. STETTINIUS (interposing): Right.

THE PRESIDENT: -- and be ready to give an order and have those mines in operation by the time the storage supply gave out.

The next item, rubber, there again nearly all of that comes from the Dutch Indies and may be cut off by water, and we have got only a six-months' supply and you cannot blame the tire manufacturers because rubber is selling at a pretty high price and they don't want to get stuck with an enormous supply and then suddenly have the price cut in half. So we are going to finance that through Jesse Jones and have a corporation to buy the rubber and get it here, if it is possible to get it here, from the East Indies and create, in effect, a revolving supply of rubber, which will be turned over to the rubber manufacturers. To put it another way, we guarantee them against a loss on their own raw materials.

So that setup is ready to go as soon as the bill goes through giving Jesse Jones the right to organize those three corporations.

Did that go through the Senate yesterday, Alben?

REPRESENTATIVE RAYBURN: The House Committee reported it yesterday.

SENATOR BARKLEY: That has been reported out of committee.

THE PRESIDENT: So -- one other thing: Stettinius has got to start in with

the scientists because we might be cut off entirely on rubber, and we have only got a six-months' supply on hand -- to produce in this country rubber substitutes which can come from the Guana (?) -- some kind of a plant -- and I think it was Mr. Ford that proved it could be made from goldenrod at a much higher cost and, of course, it can be made synthetically from oil residuum -- now, we ought to be ready, in case we get cut off from the supply of natural raw rubber that comes from Brazil but mostly from the East Indies -- to make our own home grown supply of rubber.

On the question of tin, it is very much the same situation. We have a supply of tin on hand. I do not remember what it is -- six or eight months.

MR. STETTINIUS: A year, sir.

THE PRESIDENT: We probably can get more out of scrap stocks in this country than we are getting now, but still we have not got enough tin. That comes from the Straits Settlements. It might be cut off. There is still another market, Bolivia, which is a higher cost market and that, because of German activities down there, might be cut off from us. That is a little bit of a difficulty. We have no tin in this country and it is largely a metallurgical question of trying to substitute for certain articles that have a tin base today -- to substitute other metals.

MR. STETTINIUS: We have no tin refinery, which is just as important.

THE PRESIDENT: And we have no tin refinery either.

So that part, these critical war materials, I think we are pretty well on top of in purchasing all we can get now, but we have not yet carried through the study of putting our own machinery at work to create what the Germans would call "ersatz" materials and supplies.

Now, it is my thought that you will find, all of you, that the Army-

Navy Munitions Board has available a perfectly grand mass of materiel and I think that you should, as a Commission, have certainly a liaison with the Army-Navy Munitions Board, through some member of that Board, an Army officer and a Naval officer, or that you may want more than that. On some of these sections perhaps Mr. Knudsen ought to have, on the production end, two people from the Munitions Board and Mr. Stettinius on his end ought to have two people from the Munitions Board. Some of the others won't want any -- Chester Davis, on the agricultural end, probably won't need anybody from the Munitions Board, and on the two price sections, I don't think you will need anybody from the Munitions Board because you will be keeping in touch with the proposed orders when they have been decided on, in other words when you get past the requirements stage.

MR. HENDERSON: I have a certain knowledge of what they have been doing over a period of time.

THE PRESIDENT: Yes and you (turning to General Marshall) have got plenty of people that know that arrangement?

GENERAL MARSHALL: We can arrange that very simply.

THE PRESIDENT: Now, just one word -- my Lord, I seem to have talked an awfully long time -- one word about the present situation. I will tell you all that I know in the international situation in a very few words:

It is extremely serious for England and France. We are not saying so out loud because we do not want to intimate in this country that England and France have gone. It would hurt their morale terribly if we mention it out loud, but it looks very serious.

The German personnel and German materiel is so infinitely larger -- I do not say superior in efficiency but so infinitely larger -- than the combined personnel and materiel of England and France that, just on

the doctrine of chance, they will win.

It means two possibilities, if and when that happens -- it happens with the aid of all the resources of Italy because it looks today as if they will come in somewhere, sometime in the next two weeks, maybe next week, maybe the week after, but it is reasonably certain that Italy will come in. That will mean the complete domination of Europe by the Nazi forces, with the Fascists acting as their lieutenants. It will mean the complete domination of Africa, which is wholly owned by European nations, and a very definite desire on the part of the people who run Germany to destroy the power of the British Empire and England especially.

It does not mean of necessity that they will be coming over here but it means possibly that they would set up an economic union, a tariff union, which they would control entirely and then say to the people outside, "Yes, you can join that tariff union on our terms." They could say very readily to nations where they have a large infiltration, like South America, they could very well say, for example to the Argentine, "If you will join our economic European union, we will take all of your meat, your wheat and your corn, on which, the export of which you live on. We will take them on our terms; we will guarantee to take them. We will pay for them but there is no such thing as foreign exchange in the old sense, based on gold or anything like that, so we will pay you in goods which we will decide on. We may send you steel rails from Belgium, which is part of our tariff union, production union. We may send you toys or steel from Germany; we may send you knives from Sheffield, England, because we dominate the entire economy of England, Scotland and Wales. And if you don't want to take it, if you don't want to join this union of ours, you don't have to."

Of course that puts it squarely up to the Argentine, which has a

very large German population already. If they do not accept, there is no place else in the world where they can sell their beef, corn and wheat. Stuck! That is one of the things we have got to face.

That will be a peaceful process in the sense that the Germans and Italians send no armed forces over to our hemisphere. It will mean they will make no attempt or effort to take possession of Canada or the British West Indies or the French West Indies. Therefore, technically, they would not be violating the Monroe Doctrine and, through a peaceful process of control, they would, in effect, dominate all of South America, Central America maybe, and they might even ask us to join the customs union. I can see a picture of what would happen in this country if they said to the South, "We will take all your surplus cotton, take 6,000,000,000 bales of your cotton and we will pay you in steel rails or we will pay you in cheap German automobiles." Of course it would mean a complete revolution of thought, political thought, economic thought in this country as to whether we will retain the tariffs and keep the equivalent of 6,000,000,000 bales of cotton, translated into terms of automobiles or steel rails or anything else, whether we will accept that and go on a straight barter basis of export and import or whether we would retain our present methods. And I think the country would be split right across the middle on it and I don't know what the circumstances would be or what the answer would be.

On the other hand, a victor of that kind may think at the beginning that he is not going to conquer the whole world but, when the time comes and he has conquered Europe and Africa and got Asia all settled up with Japan and has some kind of a practical agreement with Russia, it may be human nature for victors of that kind to say, "I have taken two-thirds of the world and I am all armed and ready to go, why shouldn't I go the

whole hog and control, in a military way, the last third of the world, the Americas?" And there is no one of us can guess definitely as to what will be the decision on the part of Germany and Italy if they completely control all of Europe, including the British Isles. We don't know. That is the reason for this program. It is because we don't know. That is the primary reason. A good many other victors and conquerors in the world have said, "I only want so much," and when they got that they said, "I want only so much more," and when they got that they said, "I want all the whole known world."

So there is the situation and that is what we have got to prepare for.

One more thought comes to me and that is this: that in all this production work, I think we have got to bear in mind not that we are filling an order. We have got to do more than that. We have got to say to ourselves, all of us, "We are filling a specific order that is given to us by the Congress of the United States but, at the same time, we are preparing all the plans and, perhaps, even doing construction work against the time when that particular sized order is going to be doubled or trebled." In other words, on the question of -- what? airplane engines, we may be able to get the engines we want from existing plants but we have got to think of the possibility and, perhaps, prepare for it, where we may have to turn out infinitely more engines than this particular order calls for. That brings in a military consideration. Nearly all, so many of our plants are situated on the seaboard, on the Eastern seaboard, some things on the Western seaboard and, from the military angle, on additions to present production I think we are all agreed that we want to put them in the Middle West or the north part of the Middle South, just for ordinary precautionary purposes.

I do not think I have got anything else -- if you want to ask questions I will be delighted to answer them.

REPRESENTATIVE RAYBURN: When are you going to send this additional estimate up to the House?

THE PRESIDENT: Tomorrow morning, if I can get through with the Army and Navy. I think I can. What I am going to do, Sam, is to send it up in rather general terms, without giving, probably, a specific figure. The Army estimates run around 700, 750 million dollars more, and they cannot probably, of course, be spent, all of it, in the coming fiscal year, and this thing will have to be broken down by the Army before the Appropriations Committees.

REPRESENTATIVE RAYBURN: That won't require any additional legislation like we are passing this week or last week -- this week on the Army and Navy?

THE PRESIDENT: I don't know; how about that?

GENERAL MARSHALL: Not for the Army, sir.

THE PRESIDENT: You don't think so?

GENERAL MARSHALL: No.

THE PRESIDENT: And the Navy I haven't seen yet.

REPRESENTATIVE RAYBURN: That is the deficiency program?

THE PRESIDENT: Yes. We want to eliminate, of course, from the Army and Navy figures things that are all second and third priority. I want to stick to the first priority and it will take at least until the autumn, probably November, before those orders can possibly be let and I think, as we all know on the doctrine of chances, that if this world situation continues the Congress will be back here after election day.

SENATOR BARKLEY: What you are sending up tomorrow is in addition to the $1,182,000,000 asked for in the pending bill, and that is either authorized or based on authorizations anticipated in the pending bills, Naval

and Army, which are now on the calendar in the Senate and House too?

THE PRESIDENT: And, of course, you can authorize the contracting for certain sums which would mean that the greater part of the money would not come out of the Treasury until a great deal later.

SENATOR BARKLEY: You spoke of $4,000,000,000 a while ago?

THE PRESIDENT: Yes, it will be about a billion more.

SENATOR BARKLEY: How is that broken down? You have got your $1,182,000,000 --

THE PRESIDENT (interposing): It is mostly on three or four related items; aircraft; aircraft guns to go on the aircraft, both Army and Navy; anti-aircraft guns for both the Army and Navy; ammunition to go with it; certain things like tanks, which run up to $90,000,000. Those, I think, are the principal items. It is guns, ammunition, tanks and aircraft. That is the bulk of it, and both services.

ADMIRAL STARK: Plus some Naval ships which are already authorized, if you approve them.

MR. KNUDSEN: Mr. President, may I ask a question?

THE PRESIDENT: Yes.

MR. KNUDSEN: In the physical setup of this Committee, is that Committee charged with setting up the details of its own operation?

THE PRESIDENT: Yes.

MR. KNUDSEN: Where do we go finally, here?

THE PRESIDENT: No, Bill. Mac, what are you going to do?

MR. McREYNOLDS: The Federal Reserve Board has offered us quarters in their building.

THE PRESIDENT: Good.

MR. McREYNOLDS: If you will let us go that far away.

THE PRESIDENT: It is one of the most beautiful buildings in Washington and directly opposite the Army and Navy buildings.

SENATOR BARKLEY: It is a very cold looking building.

THE PRESIDENT: Well, after these boys and girls get into it, it won't be cold.

MR. HENDERSON: The best lunch in town -- better than the White House lunch.

THE PRESIDENT: Sure; I haven't got any aircooling here.

MR. DAVIS: Does the Committee have any other functions as a whole Committee?

THE PRESIDENT: Except to coordinate your work.

SENATOR BARKLEY: I have been asked several questions about the status of this Commission. Of course the Act of August 28, 1916, is still in effect, providing for the Council on National Defense. During the World War they created a War Industries Board, which was an offshoot of that.

THE PRESIDENT: It was an offshoot of the Council of National Defense in 1916.

SENATOR BARKLEY: Is this Commission of the same nature, that it is supposed to operate in connection with or as an offshoot of the Council of National Defense?

THE PRESIDENT: Of course the Council of National Defense is one of those paper things that is pure fiction because it contains six members of the Cabinet at the present time. It is essential that the Secretary of the Treasury be on that and the Attorney General on that. The only two people who would be left off would be the Secretary of State and the Postmaster General who have nothing to do with this end of the work. Now, obviously, we are not going to have that Council of National Defense meet at all. It will meet as part of the Cabinet. But they will be available to this Commission at all times in their respective duties, in their different departments.

SENATOR BARKLEY: The question that has been asked is under what Act --

THE PRESIDENT (interposing); Under the Act of 1916 which sets up, first, this Council of National Defense, which is pure fiction, and the Advisory

Commission to the Council of National Defense, which is this body. And, when they were appointed originally in 1916 they were the coordinating body, just as this is, for the whole works. And the Council itself never sat except in Cabinet.

Now, we are just repeating that and, as I said the day before yesterday to the Press and as I said this morning, at the present stage we are still at peace, we are not at war. We are not trying to raise and equip between four and five million men for the Army and 500,000 men for the Navy -- we have not reached that stage.

Now, if we should get into the war this particular Council is going to have a great many more problems that may require certain additional machinery -- if we get into the war ourselves.

MR. KNUDSEN: Where do we head up at the moment?

THE PRESIDENT: At the moment you head up in the Federal Reserve Building and Mr. McReynolds will start there --

MR. KNUDSEN (interposing): I beg your pardon; I meant, who is our boss?

(Laughter)

THE PRESIDENT: Who is your boss? Well, I guess I am. (Laughter)

MR. KNUDSEN: All right. (Laughter)

THE PRESIDENT: And I have asked Congress for a million dollars' appropriation right away for the Council.

As I say, some of it will be very small in its starting. Two or three, the employment end, the industrial production end, the industrial materials end will require a very large staff and it will be up to you to pick your own staffs.

When it comes down to clerical help, of course I think we will not have very much trouble -- we are not bound by the Civil Service.

MR. McREYNOLDS: Not on this appropriation.

THE PRESIDENT: And, of course, you will be able to get a certain number of people from Government departments and bring the rest in.

MR. STETTINIUS: Would you refer to them as dollar-a-year men?

THE PRESIDENT: No, they will get paid.

MR. KNUDSEN: I would much prefer that they get paid.

MR. STETTINIUS: With a few exceptions: as far as we are concerned, we do not care.

THE PRESIDENT: Yes, and it is a good thing you don't have to put them in uniform.

MR. HENDERSON: On this maximum compensation of $6,000 on these employees, will it require confirmation?

MR. McREYNOLDS: No, not as it is drawn.

MR. HENDERSON: On the basic Act, I will risk you a nickel that it does. That is a big risk, Mr. President, with Mac.

MR. McREYNOLDS: Make it a coca cola.

THE PRESIDENT: We ought not to, as a matter of fact, because we run into all kinds of difficulties -- it upsets the rest of the Government -- we ought not to pay more than $10,000 because that is practically the top pay of the heads of all commissions, all the others in Washington. That is a sort of standard top limit and the standard top limit of the House and Senate too.

MR. McREYNOLDS: No, we cannot pay competitive prices against industry.

THE PRESIDENT: One word: Of course we have this fifth column thing, which is altogether too widespread through the country. In the bringing in of new people we have got to be pretty darned careful. Well, I will give you an illustration on fifth column: The Secretary of Labor the other day had recommended to her very, very highly, a technical man who was pretty thoroughly familiar with the whole subject of employment and she

was going to appoint him. Luckily, she called up somebody in the Federation of Labor and she was warned against him. We followed the thing down and found the particular man she was going to appoint was absolutely, 100 per cent affiliated and associated with the Communist movement in this country. You have to be careful on that. Also be careful not to get pro-Germans. There are a good many Americans who love efficiency and are pro-Germans for that reason. We even have them in the ranks of the officers of the Army and Navy and we have to be pretty darned careful about the inside, about the heart of the fellow we are getting, as well as his head.

ATTORNEY GENERAL JACKSON: If any employee or prospective employee is desired to be investigated, we will get a very prompt report from the Federal Bureau of Investigation, as Mac knows. So far as that can be guarded against, it can be guarded against by an investigation of employees who are coming in.

THE PRESIDENT: That is right, and the Department of Justice can carry out an investigation of that kind very quickly.

MR. HENDERSON: The Government departments utilize that now.

ATTORNEY GENERAL JACKSON: Some do and some don't.

THE PRESIDENT: Some do and some don't. They don't all utilize it.

MR. BUDD: May I ask one more question to clarify the situation? As I understand it, each of us will set up such organization as he needs now and enlarge it as the future may require and, presumably he will function with as much or as little as he needs to function, only occasionally coming together as a commission?

THE PRESIDENT: I would do it fairly often. Now, you take on the question of railroads. There is an example. I do not think we want to upset at the present time the railroad scale of pay or the railroad employees or the

railroad retirement provisions. Let us hold things right there.

Now, if you were to get from one of the brotherhoods, for example, the idea that perhaps you ought to have a brotherhood man in with you as one of your assistants -- they are not difficult people to work with -- and if anything comes up in regard to people on railroads, that is the thing you ought to consult with Sidney Hillman on so that his section would know the problem of employment in transportation as a whole. Now, that is why I think the seven of you ought to meet fairly often.

MR. BUDD: My thoughts coincided with that exactly, sir. It so happens that in the matter of railway labor -- I think I speak for the entire industry -- we feel, just as you have said, that we ought not to make any changes now. There is machinery set up, of course, which, when we are not at war, goes ahead according to the legal provisions. On the operating end of that machinery, it just happens we have had notice of a desire to change --

THE PRESIDENT (interposing): Yes.

MR. BUDD: -- and we are answering in accordance with the law. But our whole attitude is that that ought not be be upset now. Perhaps your suggestion that we get in touch with Sidney Hillman on that particular thing as soon as possible is a good one.

THE PRESIDENT: On that, just as another illustration, don't forget, on your transportation as a whole, probably you ought to have some liaison man with the Maritime Commission. Just as Sidney Hillman would probably want a liaison with the Maritime Labor Board, in the same way you probably ought to have somebody, an assistant, on the busses and trucks end and on the canals and barge lines.

MISS ELLIOTT: May I ask one question in connection with the consumer problem? As I understand it, you think there is an adequate supply now, that there

is no coneern about the consumers' needs for the moment?

THE PRESIDENT: I think that is so at the present time.

MISS ELLIOTT: Then the major question here is watching out about prices?

THE PRESIDENT: And supplies.

Q Suppose, for example, that through the Government agencies here it might be indicated that prices were getting out of line. Who has the authority to do anything about that?

THE PRESIDENT: You tell it to Chester Davis first and he takes it up with the Secretary of Agriculture, you see, on agricultural things. That is --

MISS ELLIOTT (interposing): Shoes?

THE PRESIDENT: Shoes? Well, I suppose shoes you will take up with Mr. Stettinius.

MR. STETTINIUS: Production is shoes.

THE PRESIDENT: I guess shoes would be production (Mr. Knudsen). Hides, of course the consumer does not buy. Shoes he does buy so you take that up with Mr. Knudsen.

MISS ELLIOTT: That would be the question. Perhaps my relationship would come out in the meetings of the Committee, as they coordinate.

THE PRESIDENT: Yes, so you could present your problem to other people on the Commission.

ATTORNEY GENERAL JACKSON: I think that problem, dealing with consumers' goods and agriculture, they could keep in touch with the antitrust division of the Department of Justice, because there are certain proceedings pending and some contemplated that affect that field.

THE PRESIDENT: Then you should have, also, possibly through the secretary's office is the easiest way, a liaison man with the Procurement Officer of the Government, because most of these things for the Government, not for the consuming public, are bought through the procurement of the Govern-

ment.

When will Mr. Nelson be here?

MR. McREYNOLDS: Tuesday morning.

There will be many occasions for the different members of the Commission to consult each other individually. We would waste lots of time by having the Commission meet too often. We don't want too many occasions for that.

MR. STETTINIUS: Once a week.

THE PRESIDENT: Yes. Then I thought in the beginning, when we are getting the lining up of the different fields of work, if you could come in here about once a week for the first few weeks until the thing gets going.

MR. STETTINIUS: Yes.

THE PRESIDENT: I did not appoint anybody chairman. I think it is entirely up to you. You can have a chairman or you can have Mac call the meeting order, call it together informally, or you can have a chairman. I don't care.

MR. STETTINIUS: Well, Mac is pretty good.

MR. McREYNOLDS: How many members will be here this afternoon? I suggest we meet over in the State Department. I have a room next to my room, Room 234. If we could meet at three or half past?

MR. STETTINIUS: Room 234, State Department, at 3.30?

MR. McREYNOLDS: Yes.

THE PRESIDENT: Fine. That is pretty good. I think you have got things going.

(The Conference concluded at 1.15 P. M.)

CONFIDENTIAL
Press Conference #648,
Executive Offices of the White House,
May 30, 1940, 1.35 P. M.

Q A rather poor holiday.

THE PRESIDENT: Oh, yes; for all of us.

MR. DONALDSON: All in.

THE PRESIDENT: I have been talking steadily for an hour and a half, so I am a bit played out.

First, on the Conference itself, the scheme, the plan of operations was completely outlined, the seven different sections, and it was made clear that all of the seven sections dovetail in together.

Actually, I started at what might be called the lower end, because it relates to the consumer and the public and on that end Miss Elliott's task will be primarily that of watching consumer prices and watching consumer supplies. That is the first task and we do not approach the second until and unless we have to come to it. In other words, consumer prices today are all right; consumer supplies, goods on hand, are all right and we hope to maintain them both on the price level and on the supply level so that there will be no inconvenience to the public or a rise in the cost of living. So Miss Elliott's work will be primarily that of setting up a small organization in conjunction with the statistical departments of the Government to watch those two things.

The same way, Leon Henderson's organization will do the same thing for the basic raw materials. I used the illustration that he will watch the course of prices from the mine through the smelter, through the cost of transportation, to the primary processing factory. That is

more of a statistical job than anything else for the time being.

Then, on transportation, Mr. Budd is setting up the same kind of machinery. The transportation facilities are wholly adequate at the present time but in case of greater needs for transportation facilities, Mr. Budd's job is going to be to make preparations to take care of a much larger tonnage moving, not only on the railroads but also shipping, general shipping, coastwise shipping, barge shipping on canals and inland waterways, the Mississippi River and busses and trucks.

Then we come to the employment end. Mr. Hillman is not here because he has rather a bad case of the flu; he is in bed but he expects to be down here on Monday or Tuesday. The employment factor that he handles relates to -- I think the easiest way to describe it is all noncombatant employment needs. In other words, he will take up all those things where Secretary Hopkins has brought the coordination of the program during the past three weeks -- the civilian base pilot training, the use of NYA vocational training, to turn out mechanics and radio people, et cetera and so on, and the same kind of work that we think will be extended to the CCC Camps -- noncombatant jobs -- cooks -- we talked about that the other day -- radio people, automobile mechanics. I do not mean automobile mechanics to go into the automobile plants but to do the repair work around the country for all kinds of automotive equipment.

Then, finally, agriculture -- Chester Davis probably has very little work to do except to set up a very small organization to keep in touch with agricultural supplies and agricultural prices, to see that we do not run into a jam or a shortage in any one of those things and to see to it that we maintain, with the help of the Department of Agriculture, the effort to keep agricultural prices up as close to the object of

parity as we can. In other words, to maintain what is not a party program in any sense but has been the national program adapted by both parties for many years -- the objective of parity.

Then you come to the last two, the industrial materials that Mr. Stettinius handles and the industrial products that Mr. Knudsen handles.

They are all set to go. They are meeting this afternoon in Mac's office -- McReynold's office -- over in the State, War and Navy Building, and he has already made provision for offices -- whether it will be for all of the seven sections or not I do not know -- over in the Federal Reserve Building, which is very handy to the Navy Department Building and the Munitions or War Department Building. It means you will have to walk a little further than you have been accustomed to walking when you go down there, but it is a good handy place. The Federal Reserve has come through in fine shape and has given us a lot of space they do not have to use.

They will meet with me again early next week and they are all "rarin' to go" and that is about the only thing that it is necessary to say. The only thing --

(At this point Mr. Early interposed and said to the President: "I think the illustration between Budd and Pelley, as applied to the whole, was a good illustration.")

THE PRESIDENT: Didn't I use that the other day?

MR. EARLY: Not to the Press.

THE PRESIDENT: I used this illustration about how the thing is working out: In the arrangement I made last summer, in September, largely on recommendation of Mr. Dan Willard, who had run the railroads for the Government during the war, when the railroads were under complete Government management, he and I agreed that we wanted to avoid in every way possible

the Government taking over the railroads again, and that every railroad president knew -- this was his suggestion -- that if the Government had to take over the railroads again in order to make things move, on the doctrine of chances it was a hundred to one that the railroad companies would never get the railroads back the next time. Every railroad president knows that when the Government wants to avoid that from happening. Therefore, to put it -- not literally but I would say as a metaphor (?) -- the idea on transportation is that we would have a double desk with Mr. Budd, representing the Government, on one side. To Mr. Budd would come from Mr. Stettinius, let us say, a demand, a call for X number of freight cars to haul ore from the Mesabi Range to the Illinois plants, steel plants, or ships to carry that ore from the Range to the steel plants.

And, when the steel was to be moved through the final processes of the machine tool people, again Mr. Stettinius' organization would tell Mr. Budd where this steel was that had to be moved, what the tonnage was, and what the date was.

Then Mr. Budd would -- oh, yes, Mr. Budd would then take those movements of freight and pass them across the desk to the railroad representative, John Pelley. He would be on the other side of the desk, but he would be representing the railroads; Mr. Budd would be representing the Government. Mr. Pelley would then clear with the railroads that were involved. He would tell them when the shipments had to be moved and it would be up to the railroads themselves to see that they were moved. And then, in case of any jam, such as we had during the World War, the jams which necessitated something being done to centralize the operations, the shipbuilding company involved in the jam that wasn't getting its shapes and plates on the day they needed them, they would

be the first to make a complaint to Mr. Budd. Mr. Budd would hand the complaint across the desk to Mr. Pelley and it would be up to Mr. Pelley to clear that jam through direct contact with the railroads involved in the jam.

Well, now that is a pretty good illustration of how this whole thing is going to work.

Q Mr. President, could you give us a similar illustration which would illustrate the authority that Mr. Stettinius and Mr. Knudsen would have in the production field?

THE PRESIDENT: In the production field, for instance, as opposed to the materials field, the first thing to do for Mr. Knudsen is to get specifically down on paper the first stage, which is requirements. Now, that involves getting from the Army and Navy the specifications, the types, a decision on, say, automobile engines as to what types we are going to order, whether it is possible for the Army to cut down from fourteen or fifteen different types of training plane engines to two or three types of training plane engines, so as to standardize. And Mr. Knudsen's first job will be to get his requirements listed down.

At the same time, through one of his assistants, on any given article he knows where there is spare production capacity. He then allocates -- oh, yes, wait a minute before you come to that: He has got his requirements and then he comes to his second stage, which is scheduling so that all these things, they will be coming in, the finished products will be coming in, in the order which is necessary for their assembling. That means working out a system of priorities which, of course, we did during the World War through practically a similar organization. That is the second stage, which is the scheduling of the production. And then, finally, the third stage, which is deliveries.

We talked it over this morning and on that we all agreed on that particular terminology for those three steps of production, the requirements, the scheduling and the deliveries.

Q Did Mr. Knudsen definitely announce that he would take a place on this committee?

THE PRESIDENT: That he would what?

Q Has he definitely accepted a place on this committee?

THE PRESIDENT: Oh, yes.

Q I think a lot of people want to know whether the Advisory Commission -- that is the Commission -- would have the same power and authority as its World War predecessor and whether these members will be responsible directly to you as a practical matter or whether they will have to clear through a Cabinet intermediary?

THE PRESIDENT: No, no.

Q Will they report to you?

THE PRESIDENT: Oh, yes. Of course, remember they will have to live up to the law. I will give you an illustration. Mr. Nelson, of Sears Roebuck, is coming here on Tuesday as the head of Procurement. Of course there are an enormous number of articles which will continue to be handled through the regular Government procurement services, just as they were during the World War. Well, take a simple illustration; I do not think we need to set up any additional machinery for the purchase of shoes. I think Procurement is wholly capable of doing that. He will not have to set up any new Government machinery to buy desk supplies, typewriters, pencils, et cetera, and paper. That will be handled through Procurement. In other words, a very large proportion of Government purchases under this program will be handled by the existing agencies that handle it day in and day out, and did during the World War. It is comparatively --

in point of the number of articles, during the World War, the greater -- oh, the overwhelming percentage of them were handled through the regular Government agencies. There are certain things that have to be put into mass production that are not in mass production at the present time, which would not be handled through Procurement and, in most of those cases they have not been handled through Procurement. They have been handled directly by the Army and Navy.

Q Mr. President, I understand you are going to send a Message to Congress tomorrow?

THE PRESIDENT: Yes.

Q Will you say something on that?

THE PRESIDENT: I am sending up a Message to Congress tomorrow of three lines. The first is the civilian training line which has been put together in the past three weeks by Harry Hopkins, acting as coordinator, and is now ready to turn over to Sidney Hillman next week when he gets here. I think I already sent in a deficiency estimate on that, $32,000,000.

Q How much is that?

THE PRESIDENT: $32,000,000.

Then, two other things which have come up, been coming to a head now for the past ten days, the additional appropriation for the Army and Navy. The situation, as we all know, has very greatly changed since two and a half weeks ago, two weeks ago last Sunday, I think it was, when we made the final determinations of what would be asked of Congress at that time, based on what the Army and Navy thought were the Priority I articles and enlargements that were necessary at that time. There has been a very great change in the whole world situation and, because of that, it is necessary to send up, substantially, almost a doubling

of the program.

My guess is -- I don't know that I will send any definite figures. I will probably send the Army and Navy people up to the Committee with certain lists of items and let the Committee determine how many of them on the Priority I class should be included in either appropriations or authorizations to contract at this particular time -- in the next two weeks.

Q Mr. President, does that mean that you will have a larger initial expenditure for Government orders than contemplated heretofore?

THE PRESIDENT: Yes, it means spending a lot of money for the actual ordering of tanks and guns, antiaircraft guns, guns to go in airplanes, and a much larger supply of fixed ammunition and an additional supply of powder over what we had put down two weeks and a half ago.

Q Any airplanes?

THE PRESIDENT: And additional airplanes.

Q When you say substantially a doubling of the program, you mean a doubling of the Message program?

THE PRESIDENT: Yes. I think you can make a guess that it will be another billion dollars and it might be -- it depends a little bit on what the committees on the Hill feel should properly go into this Priority I class -- it might come out a little below a billion or it might go over a billion.

Q Before you leave the Council will you discuss the nature of Miss Elliott's work?

THE PRESIDENT: I talked about that, didn't I?

Q I am sorry.

Q On that same question, may I ask one? Will this industrial control you are setting up include price control? You have spoken of a lot of orders

wherever there is production.

THE PRESIDENT: At the present time, no. That is all you can say. As I said the other day at the Conference, and I believe I said it in my Message, we want to avoid the spiral of the World War. If cotton sells at 30 or 35 cents, it upsets the entire agricultural life of the South. If copper sells at 28 or 30 cents, it upsets the entire industrial life of the nation. If wheat goes to 2½ dollars, it upsets the economy of every family in the United States. And if prices go up substantially beyond the present price level -- I mean as a general thing, remembering always that we still think that the farmer is too far below parity -- and that is not a partisan question because both parties are absolutely, 100 per cent, in accord on it -- if the general level of prices gets out of kilter in one angle, that is apt to get another angle out of kilter, and that means, of course, that people who work for wages or salaries, if they see the cost of things that they have to have for themselves and their families going on up, they are going to ask for more wages. And when you get more wages, it means your cost of production goes up and you have to add something to the cost of material. It is the same old vicious spiral and that is one thing we want to avoid.

We haven't got at this time to any question of price fixing because the evil has not appeared. What we will do if it does, I do not know.

Q Just take the case of girders: Suppose the Government wants to buy girders.

THE PRESIDENT: Girders?

Q Steel girders.

Q A big steel company can possibly sell those ordinarily at a cheaper price than the small steel companies because of mass production and could put in a lower bid. Let us say the big steel company is all filled up with orders and your Commission might decide there is plant capacity in a

smaller company, although the price is higher. Is the Government required to take the lowest bid, or can it, without any additional legislation, go over and pay a little more in order to get those?

THE PRESIDENT: The question of paying a little more, yes, I suppose we probably would. But we would not pay any more until it is definitely proved that it was costing the little company actually more to turn out the orders than the big company. It always is not true. You take some of the steel companies at the present time that in the past few years have put in complete new tooling. Now, they are much smaller companies than U. S. Steel or Bethlehem, and because they happen to be newly tooled, it is possible, though they are only a tenth of the size, that their cost will be lower than the two big companies. In other words, each case has to stand on its own merits.

Q In New York, Matthew Woll criticized Mr. Hillman's appointment and raised the question whether there was any place in the Administration for the A. F. of L.?

THE PRESIDENT: All I can say is, off the record, that I am not the least bit concerned. (Laughter)

Q That is off the record?

THE PRESIDENT: Yes.

Q So far as Miss Nelson's (the reporter evidently meant Miss Elliott) job is concerned, will she have any control of forces at all from the consumer's point of view, or will her sole control be from a reportorial standpoint, using public opinion?

THE PRESIDENT: I don't know. As I say, that is one of the things we haven't got to yet. It is not a problem today.

Q Mr. President, in discussing the initial protective force with some of the officers of the Army, they indicated they do not believe the National

Guard is in condition to act immediately in case of an emergency, and that has, I believe, brought up immediately the question of whether the Regular Army will be increased. Is that --

THE PRESIDENT: (interposing) I don't know; I have not talked about that. I could not tell you.

Q With reference to the visit of Mr. Martin of the New York Stock Exchange this morning, was there any discussion of the probability of closing of the Stock Exchange, or Government control of prices there?

THE PRESIDENT: No. Well, there was and there wasn't. I told him that I was a great deal older than he was and the first panic I saw was in 1907, just after I started in to practice law for the firm that was counsel of the Stock Exchange, Carter, Ledyard and Milburn, and I have been through a lot of panics since -- 1914, when the war broke out; 1921, had a pretty bad time; 1929 and 1933, when all the banks were closed and, of course, we had to close all the exchanges because there were no banking facilities-- and then Stock Exchange panics because I had been through so many of them, that always led me to discount the danger to the Nation. They always manage to work out some way and somehow. And we agreed that there are two things that people of this generation who had not had all that experience should remember in case of Stock Exchange troubles: The first was to keep your feet on the ground, and the second was to keep your mouth shut. And we do not think it is a problem; we do not think it is a problem.

Q Is Mr. Martin alarmed over the situation?

THE PRESIDENT: No, no.

Q Mr. President, the way you outlined the functions of this Council, these gentlemen and lady, it sounds very much like a completely voluntary matter and, yet, it is set up under a statute, was it not?

THE PRESIDENT: Oh, no; it is not voluntary.

Q Do they have authority?

THE PRESIDENT: In effect.

Q The law gives them that? You would not have to ask for any more?

THE PRESIDENT: No.

Q Mr. President, was the absence of Secretary Perkins from this morning's Conference significant, in view of the fact you stated that the basic Council did include labor?

THE PRESIDENT: She is away and Sidney Hillman has the flu, otherwise he would have been here.

Q Will you mention the third thing in connection with your Message tomorrow? you mentioned civilian appropriations?

THE PRESIDENT: Army and Navy.

Q Those are the other two.

Q Would you care to comment on the tax program?

THE PRESIDENT: I have not heard a word since yesterday. It seems to be going along. They are having another meeting this morning.

Q This extra billion, is it likely to cause any change in the tax program?

THE PRESIDENT: I do not think so, no. You have got to remember this: A program that started at two billion and then goes to three and then to four -- I am using rough figures -- a very large part of a program of that size won't have to be paid for -- I mean out of the Treasury -- until either late next spring, long after Congress meets, or even in the following fiscal year, so I do not think it need affect the present tax program they have got on the Hill.

Q Mr. President, a tremendous thing in here is this training of civilian youngsters. Is the country and the Government supplied with the necessary money and facilities right now for that training?

THE PRESIDENT: I think so.

Q How many men, do you think, sir, will be needed to train those?

THE PRESIDENT: I do not know; I cannot give you figures. All I can point out is that we are going to expand that portion of the work of NYA; we are going to expand what CAA is doing from 10,000 to 50,000 and we are going to put certain forms of noncombatant training into the CCC. That is as far as we can go and I can't tell you what will happen on the total figures. As time goes on we may have to increase that program.

Q Does this new setup fit into the White House structure under the reorganization program announced last fall?

THE PRESIDENT: Absolutely. I am going to have a couple more assistants down here to keep me in touch with this so they can act as liaison people, legs, legs between me and the different sections and the Commission.

Q Just two more?

THE PRESIDENT: I think I will put in two more and I think I will leave the sixth open for any unforeseen emergencies.

Q Mr. President, have you any comment on Mr. Ford's statement that he could produce a thousand planes a day in one plant?

THE PRESIDENT: No, I do not know enough about it.

Q Mr. President, is it possible for you to say how soon these particular programs will be completed? Can you make an estimate?

THE PRESIDENT: You mean fully running?

Q I mean with all the money spent and the equipment obtained.

THE PRESIDENT: Oh, my, no.

Q When is the dirt going to fly? When will these orders be put in?

THE PRESIDENT: Well, judging by the World War, we did not get into full operation -- of course it was a much larger program, you have got to remember that we were organizing an Army of between four to five million

men and the equipment for the whole thing, and the Navy 500,000 men instead of 80,000 and it was on an infinitely larger scale. We did not get into full production until about May, 1918, about a year and a month after the thing was started.

I cannot tell, but I should say offhand that we are going to beat that, more than cut it in half.

Q Six months?

Q Have you, sir, an estimate of the amount of actual cash money that will be needed by the first of January, for instance?

THE PRESIDENT: I could not tell you, Fred (Mr. Essary). There are too many -- I should say not an awful lot by the first of January --

Q (interposing) Will the tax gentlemen in Congress --

THE PRESIDENT (interposing): I mean payment out of the Treasury. There will be an awful lot of money obligated but actual checks going out of the Treasury, not so much before the first of January.

MR. GODWIN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #649,
Executive Offices of the White House,
June 4, 1940, 4.10 P.M.

THE PRESIDENT: Sit down, big boy.

Q (Mr. Godwin) Thank you.

THE PRESIDENT: I miss J. Russell Young's palm beach suits.

Q I got some.

THE PRESIDENT: Yours are flossier than his. I wear his kind.

Q What are they, seersuckers?

THE PRESIDENT: Seersuckers, yes -- just another kind of a sucker.

Q In the Indies they have sheer sucre or something like that -- impossible. I think they are suckers around here.

THE PRESIDENT: No, I am the only sucker around here. (Laughter)

(There was some conversation off the record.)

MR. DONALDSON: All in.

THE PRESIDENT: I have only got two things I can think of, that is the letter of resignation from the Secretary of the Navy of June fourth.

MR. EARLY: Twenty-fourth, sir.

THE PRESIDENT: May twenty-fourth, and my reply accepting it -- Steve (Mr. Early) will give it to you on the way out -- to take place on June twenty-fourth.

And the other thing I have is one of those stupid matters of figures -- just so you won't go any further astray (laughter) than you are accustomed to going on figures. Newspapermen and the clergy don't know the difference between a dollar and a dime anyway -- it is an old aphorism of mine -- you are very much like the clergy -- this is about the savings we have to make next year

out of the appropriated funds -- I almost say this in my sleep. Out of total appropriations by the Congress there are certain items, of course, that you can't make savings in and therefore, if you figure the totals of all around -- what? -- take an even figure, $10,000,000,000., you can't save $1,000,000,000. by 10 per cent saving. Why? Because you can't save on the interest on the public debt, which is $1,100,000,000.; you can't save on veterans' pensions funds, that is an Act of Congress, that is $460,000,000.; you can't save on retirement funds, payments to civil service people, which is $225,000,000.; you can't save on social security, more than $410,000,000., unless you change the law completely and abandon what we are doing on social gains; you can't save on, oh, lots of other things -- public roads, because that is a contract with state governments. P.W.A., $125,000,000., cleaning up old contracts; tax refunds, $71,000,000.; miscellaneous grants, $72,000,000., and so forth.

Well, the total of that, of things you can't save on, is a little over $3,000,000,000. Then the national defense -- I am not counting the new money -- this is the way it was beforehand -- national defense, including the Coast Guard and the increase in the F.B.I., $2,600,000,000., or a total so far of $5,743,000,000. that you can't save on.

Then, in addition to that, I do not think we can save on parity payments, I do not think we can save on C.C.C., and I do not think we can save on N.Y.A.

Well, that takes off another -- call it three or four hundred million dollars, and then you have got the item of work relief

which is about -- call it roughly a billion. That is problematical because it depends on how much the relief rolls are diminished because of additional employment. That is a thing you cannot do by Executive Order, impounding money at this time, because the human need is there. Maybe later on we will be able to save something on it. Just to give you an over-all figure, which I worked out roughly, there is somewhere around between 2⅛ and 3 billion dollars for running most of the departments and commissions of the Government, where national defense is not concerned, where I believe we can make a definite and practical saving and we are going to try to make a saving of 10 per cent on the average out of that total of departmental and commission costs. In other words, I hope that we will be able to impound and return to the Treasury between 250 and 300 million dollars. This year, this fiscal year, we expect to return to the Treasury a little more than 184 millions -- I think Steve (Mr. Early) gave you that figure the other day -- 184 million dollars plus. And that is, roughly, a 10 per cent saving on everything that you can make a saving in.

Q Mr. President, you did not mention soil conservation. Did you include that in the deduction or not?

THE PRESIDENT: Yes, they are included in the deduction.

Q They will be reduced 10 per cent?

THE PRESIDENT: No, no. They are included in the reduction from the total appropriations. I don't think we ought to save on those because we have to think of the future of our country -- soil.

Q Will you give -- you have given some good illustrations of where

you cannot save --

THE PRESIDENT: (interposing) That is one where we cannot save.

Q Have you gone into the places where you can save, that is specifically in all the departments?

THE PRESIDENT: Everything else, every other department.

Q Not a flat 10 per cent?

THE PRESIDENT: No; it all depends. Some departments will be very low; some a good deal higher. For instance, take the State Department, we won't be able to save a thing on the State Department, obviously. They are looking after the Americans.

Q What will you save on the Post Office, for instance?

THE PRESIDENT: That is one of the things we are going to try to save money on.

Q The Republicans met yesterday in the House and decided that Congress should stay in session indefinitely to take care of immediate problems growing out of the European war. Do you think the situation is such, now, that would require such action?

THE PRESIDENT: Not now, certainly, except to make speeches. Of course, that is a very laudable ambition -- not necessarily essential to national defense. (Laughter)

Q I wondered if you could lecture us a little bit on the background of this recommendation on the National Guard, specifically as to what is contemplated, in case you do call it out, et cetera?

THE PRESIDENT: I can only talk to you off the record on it because the thing was brought in to me literally -- this has to be off the record -- at the eleventh hour, just as I finished the Message. In fact, I think they started to put the Message into typewriting

when they rushed in -- this is in the family but there is no reason you should not have the information -- and they said, "Please, for God's sake, stick this in your Message." "Well," I said, "what is the matter with the National Guard?" "Well," they said, "two things: In case of an emergency, we would have to operate under one of two laws. One is the old law of 1906." I think it is called the Dick Act. I don't think any of us were here in 1906 to remember that, even Fred (Mr. Essary) and I.

Q (Mr. Godwin) Fred was here.

THE PRESIDENT: Was Fred here? Was he really?

Q Well, I was. (Laughter)

THE PRESIDENT: Well, he is older than he looks. (Laughter)

Q (Mr. Godwin) Yes.

THE PRESIDENT: And that Act allows -- this is what they told me at eleven hours and fifty-five minutes -- that allows me to call the National Guard -- not to order them -- and under the Dick Act the National Guard, so-called, remains under all of its own officers, its own command, which does not effectively put it under a unity of command. And there are all kinds, according to the Judge Advocate General of the Army, all kinds of restrictions under the Dick Act which, under that procedure, sort of leaves the National Guard, if it is called into service, as a separate unit; in fact, each state regiment under its own command.

Well, they think that is a great mistake.

Then there is the other Act, the National Defense Act of -- I think it was about 1921, that allows me to order the National Guard -- order, mind you -- into active service if and when Con-

gress has declared a national emergency. That is a Congressional Act. Well, it is conceivable -- I have to think of improbable things but possible things -- some time, summer or autumn, there might be a sudden need for calling, for ordering the National Guard into service, and we all know that I can and always would call Congress back, but it would take probably a minimum of about four days, four or five days, to get Congress back here. In 1933 I issued a call -- I think it was Sunday afternoon, and Congress met on Thursday. That is about as fast as you can do it.

And then it is always a question of how long it would take to get a national emergency declaration out of both Houses of Congress. As you know, under the Senate rules, there are no rules, and any two or three dissenters could talk for some time on a resolution of that kind -- not necessarily that they would. Therefore we might lose seven or eight or ten -- maybe even two weeks, of very essential time.

Now, that was the primary reason advanced by the Army, and then they said one further thing, which is perfectly possible. This does not involve -- it might involve sending the National Guard, not out of the possessions of the United States but the possibility of having to do some replacement. Suppose, for the sake of argument, that we wanted to use regulars in Puerto Rico or regulars in the Canal Zone. We might want to replace them quickly with the National Guard in Puerto Rico or the Canal Zone. That does not mean sending them to any foreign territory but it means the ability to shift them around, to take the place of regulars in case of need.

Now all I do is emphasize that this is not a probability in any shape, manner or form -- I do not think anything like that would ever come up. But you can never tell these days and it is only a precaution. There is no intention of doing anything under it but the Army wants it done.

Q Isn't there also another reason for it and that is you could send the National Guard out of the United States if Congress put through this authorization, whereas otherwise you could not do it?

THE PRESIDENT: Yes, but, as a matter of fact, we would not send them out of the United States but might replace our regular regiments in some of our island possessions.

Q Any objection to using that, just as background?

THE PRESIDENT: Background is all right. I do not think it is a very exciting thing, one way or the other, but I think, like the Army, it would be a good thing to do it.

Q It was suggested by Chairman May that this authority to call out the National Guard be limited to the period between the adjournment and reconvening. Is that satisfactory to you?

THE PRESIDENT: Make it two weeks after coming back because I might get caught short, you see, by the third of January, without any authority to do anything for two weeks.

Q There was something rather exciting happened -- at least it seems so today -- that Mr. Churchill made his statement as to the possibility of Canada being the center of the empire and operating the fleet from there. Mr. Pittman had considerable to say about that.

THE PRESIDENT: All I have seen was what was carried on the ticker and

I would like to comment on it but I can't.

Q Do you wish to comment on the bombing of Paris?

THE PRESIDENT: What?

Q Do you care to make any comment on the bombing of Paris and several centers?

THE PRESIDENT: Except that I am very glad the Lord had his arms around Bill Bullitt.

Q Mr. President, on your possible reduction, does that mean a reduction in personnel or a reduction in the present payments?

THE PRESIDENT: A reduction in appropriation. I mean, I would try to spend only 90 per cent of the appropriation, on the average. How that works out, I do not know.

Q It is up to the department heads to make that and it would not be any flat 10 per cent reduction of salary or anything like that?

THE PRESIDENT: Oh, no.

Q Congress apparently has determined to raise the new tax bill to a billion dollars. Could you give us your views on that in the light of the savings you were planning to make? They are now talking about $300,000,000. in excess -- 250 to 300 million dollars in excess of the 650 (million) recommended. Would you care to say whether --

THE PRESIDENT: (interposing) Only the general proposition that I said all along, the more we can raise to pay as we go, the better it is. Of course the situation, as you know, up there -- I cannot comment on it very well because it changes all the time, from morning to eve and eve to morning -- I think the best thing to do would be to get a bill out as quickly as possible in the House and

get it through.

Q Mr. President, there is a rumor, I don't know how well founded, that the U.S.S. QUINCY, en route to South America, has more than the normal complement of Marines aboard?

THE PRESIDENT: No, that is not so. As a matter of fact, we caught her on her way back from the lower West Indies and turned her around.

Q Senator Walsh said today on the floor of the Senate that he thought the Government was negotiating or would negotiate for the establishment of an air base in South America?

THE PRESIDENT: What?

Q Walsh said that the Government is --

THE PRESIDENT: (interposing) That is a new one on me.

Q No such discussions under consideration?

THE PRESIDENT: No, none at all.

Q Indicating he might have let something slip?

THE PRESIDENT: No.

Q Can you tell us about the call of Mr. William Green today?

THE PRESIDENT: No, but that he was coming back and he telephoned about another matter yesterday and I said, "Why don't you come in to see me?" and he said he would come in tomorrow. That is all.

Q Is Mr. John Lewis on your calling list?

THE PRESIDENT: Absolutely. Any time he would like to see me, I would love to see him.

Q Will you comment on Senator Pepper's resolution authorizing you to sell surplus or spare Army and Navy military equipment?

THE PRESIDENT: No, I don't think so.

Q Did he talk to you about it Saturday?

THE PRESIDENT: No, he only talked to me about it in this way, that he was going to keep on pressing it. That is all that happened.

Q Can you tell us about the Red Cross delegation today, with Harry Hopkins and (Secretary) Wallace?

THE PRESIDENT: We talked about the general subject of getting foodstuffs over there to places where we can distribute them. Apparently the money to the Red Cross is coming in pretty well. Davis said he hoped to be up to $7,000,000. tomorrow.

You can stress again my hope that every day counts and the quicker it comes in the quicker we can send food to the refugees.

Q Does that involve any surplus commodity purchases?

THE PRESIDENT: Oh, yes; oh, yes.

Q Mr. President, why do you not want a general tax structure revision now?

THE PRESIDENT: Well, May (Miss Craig), I will depute you to be my agent to try to get one through. If you think it can be done in the next two or three weeks it would be fine, but nobody else thinks it can be done.

Q There was a suggestion to come back after the convention to stay through the summer and fall?

THE PRESIDENT: Yes. That is always a possibility but then they might come back the week after they adjourn. We cannot think -- we cannot make any plans or prognostications on what is going to happen from one week to the other all this summer. I don't know, and neither do the commentators. (Laughter)

MR. GODWIN: Thank you, Mr. President.

THE PRESIDENT: Oh, look: one thing I want to get on the record. You need not bother much listening to it but I want Kannee to put this into the records of the Press Conferences. It has to be said and it does not affect the newsmen here at all.

Oh, about three weeks ago, about a week before I went up to the Hill with a Message on national defense, we started in to do some very quick surveying of certain subjects. One of them, for example, was the question of personnel. I asked Harry Hopkins to handle that, temporarily. Well, we got everything tied together so that we were able to get a general program.

Another thing I turned over to him, temporarily, was this question of getting these materials together that we were short of in the country. Well, he worked on that for about a week and that was all solved and settled, practically.

At the same time I asked the Secretary of the Treasury to do a quick survey job for me on airplane engines, temporarily, and also on machine tools, temporarily. This was merely a survey so that we could put together, with some intelligence, our requests for appropriations for national defense.

Now, the newsmen were not responsible in any way but there were certain commentators and certain editorial writers who proceeded to write absolutely false statements of fact against Hopkins and Morgenthau, that they were going to run national defense. Of course they knew that that was not so -- every one of them who wrote these stories. They were told, incidentally, that it was not so, that these various things would be turned over to the machinery which was being prepared at that time.

When the Commission of the Council was set up last week, of course the original intention of the previous three weeks before was put into effect. On airplane engine business, there had been a lot of work, very excellent clearing work, had been done by Morgenthau and that was turned over to Mr. Knudsen and the machine tool work was turned over to Mr. Knudsen. Mr. Hopkins is turning over the personnel to Sidney Hillman and the materials -- what do they call the materials?

Q Strategic materials.

THE PRESIDENT: Strategic materials to Mr. Stettinius.

The only thing now that remains outside the Commission of Council is the coordination of foreign government purchases in this country, which has, primarily, a financial aspect, and that will remain in the general coordinating field of the Treasury Department, of course letting both Mr. Knudsen and Mr. Stettinius know at all times what is proposed in the way of additional orders and also how the actual production and deliveries are going on in accordance with schedule. The reason for keeping that in the Treasury is because it is primarily financial and, secondly, because -- what do they call it? -- the Allied Purchasing Commission has been working with the Treasury since the beginning of their purchasing program.

So, we are proceeding in accordance with the plan outlined a month ago and I don't believe on the part of these commentators or editorial writers that there will be any apology or any retraction of the false news that they have been disseminating for three weeks.

Thank you very much. (Laughter)

MR. GODWIN: Thank you, Mr. President.

CONFIDENTIAL
Conference #649-A,
Held with Representatives of the American Youth Congress,
In the State Dining Room of the White House,
June 5, 1940, 8.50 P.M.

THE PRESIDENT: I suppose I might as well begin by reminding myself that this is the first time I have had a party like this since last April, when I had my annual gathering, about this size -- a little bit bigger -- of the editors and publishers of America, a very formidable group.

I was scared to death the first time, in 1933, and I have been getting over it bravely ever since.

I told them -- I asked them a question, in a way -- I said, "You editors and publishers, you are responsible for the dissemination of most of the news in the United States." I said, "I have got no quarrel with you whatsoever if you act to the best of your own ability and in accordance with your best conscience and in accordance with the news -- news. But not if you act and put, base your policy on what you read by the commentators who contribute to your papers."

In other words, there is all the difference in the world between straight news, honestly written, factual, and a whole lot of people -- of course not confined to editors -- but there are a lot of other people who make comments to the general public, sometimes not in accordance with their own conscience. I illustrated that to the editors and publishers by a remark that was made to me by one of the nationally known commentators. I said to that commentator, "I believe that in your column, three days

out of six, you are consistently taking a crack at every known kind of social reform or betterment program of the Government that we have been trying to put through in the last seven years. Why is it?" I said, "I have known you for a great many years and you are not as anti-social or as unsocial personally."

"Well," he said, "of course I am not; of course I am not. But I can sell my column if I take this line that I have been taking now ever since you have been President. I can sell my column to sixty papers and if I commented the way I really feel, I would not have any clients left."

Now, that is a sort of human interest story but it also goes to show that an awful lot of people in this country believe an awful lot of things they are told because they see it in print -- and I can illustrate that -- because they see it in print or because they have been told by somebody that they respect. And I can illustrate that by telling you a little story about the 1928 campaign:

Al Smith had been placed in nomination and duly nominated and I had worked at headquarters that same summer because I believed that Al had made a fine governor and put through a great deal of legislation that was really of definite social benefit. That fall, in September, I went down to Warm Springs.

One morning, when I was sound asleep, it was around about daylight, about 5.00 o'clock, somebody banged on the shutters and kept on banging on the shutters. So I got into a little wheel chair and went over and opened the shutters and there was an old gentleman from over in Shiloh Valley. And I said to him, "I do

not want any eggs this morning; I do not want any chickens -- I got plenty in the larder. Why, in God's name, do you waken me at this time of the morning?"

He said, "Mr. Roosevelt, I did not come to waken you at this time of the morning -- I don't want to sell you chickens and eggs. We are all upset over in Shiloh Valley."

I said, "Why?"

He said, "Oh, we are all upset about you."

I said, "Why?"

"Well," he said, "we people over in Shiloh Valley, we are sort of old-fashioned and we believe the written word. We believe the written word."

I said, "Yes, and what happened?"

"Well, the preacher on Sunday, after church, he gave us a lot of handbills and," he said, "if what those handbills say is true, we do not see how you can be supporting this fellow Smith."

I said, "Why not?"

"Well," he said, "we could not go along with Smith. We have been Democrats all our lives; we never voted anything but the Democratic ticket. And we cannot go along with Smith. We don't see how you can because when you first came down here to Georgia we thought you were a damned Yankee but," he said, "we got to know you. You haven't got any horns. You did not go through Georgia with General Sherman and, well, we like you and we respect you and you understand us. And, what we can't understand is why you, a friend of ours, can be for Smith." Just because of this written word -- the written word.

I said, "Let me see it." So he goes down into his pocket and hauls out a couple of posters, handbills, and the first handbill says, in large type at the top, "Do you know that if Al Smith becomes President you will be living in adultery with your own wife! (Laughter) Because" -- a great big BECAUSE -- "the Roman Church does not recognize any marriage as valid unless it has been performed by a Roman priest."

So I said, "That is pretty bad, isn't it?" I said, "Funny sort of thing. That fellow Al Smith has been Governor of New York for eight years and, after all, a question of marriage is purely a state question. It is not a Federal question. And," I said, "I think I am still legally married to my wife even if Smith has been Governor of New York for eight years."

I said, "Let's look at the other one." It said, "Do you know that if Smith becomes President all your children will be illegitimate?" And then the same reason, that the only legitimate children are children that are baptized into the Roman Catholic Church.

I said, "I have got five pretty husky kids" -- one sitting over there now (indicating Elliott Roosevelt) -- and I said, "I have every reason to believe that they are still legitimate."

Well, that is just an illustration of a form of being credulous and believing all sorts of things that you are told or that you read in the printed word, without going any further, any more than this old man from over in Shiloh Valley did. He did not go down into the facts of the case. He believed what he read and there is an awful lot of that in this country, not only among the uneducated -- because they are mostly uneducated people over in

Shiloh Valley -- but also in much more highly educated circles in every state in the Union.

That is one reason why, when Mrs. Roosevelt asked me if I would come down here and talk informally about some of these problems of the present day, that I said I would do it, because I believe in talking things over, although there are some people you cannot talk with, even Senators.

About a year ago, nearly a year ago, I had the Foreign Relations Committee come down -- you read about it -- and I pointed out at that time that I thought there were certain dangers to civilization. I pointed out that, very unfortunately, we were faced with a very great growth of physical power by certain systems of government, a growth that had got so big that it was possible that they would extend their sphere of control over various parts of the world and weaken certain relationships that the United States had had with most of the world for 150 years, and that I, frankly, thought that we ought to change the Embargo Act, that we had made a couple of mistakes in the past, quite frankly.

I think this will probably interest you because Mrs. Roosevelt mentioned it to me the other day, something that perhaps you don't know because, there again, the papers have not printed all the facts. Remember this always: 85 per cent of the papers of the United States are opposed to this Administration -- 84 per cent of them, because they regard the Administration as being too damned radical, and one per cent because they regard the Administration as being too conservative. So we have practically an 84 per cent opposition from the conservative press of the country

and they do not always print everything.

Well, let me just go back a little ways: In 1920, 1919, there was a thing that was started in good faith, called the League of Nations. The people over here were scared to death that we would get put into a war if we joined it, that we would have to send troops to the other side. It did not do any good to explain that the League of Nations did not provide that in the covenant, because the question of participation in any action by the League would be subject to review by the Administration and by the courts. It did not do any good because the people were afraid and, therefore, we did not go in. Nevertheless, the League was set up, as I say, in great part in good faith, and there were a lot of people that said, "It is a grand idea but it won't work. It is a useful experiment because we will learn from this new League that has been set up later on what to avoid. There will be a smashup of some kind" -- and they were right -- "but out of it all, out of the lesson of cooperation we may get, later on, something that is better than the League," and they advanced all kinds of reasons why the League would not succeed. Well, whether their reasons were right or not, the League did not succeed.

The thing came along to probably the first instance of an open and clear violation of international contracts that happened, and that was the case in 1931 when Japan violated three or four different treaties and went into Manchuria. The United States at that time -- Harry Stimson was Secretary of State -- asked the other nations that were signatories of what we call the "Nine-Power Pact" whether they would go along with the United States in

this rather flagrant case of a violation of an international agreement and put an embargo on Japan as a practical method of arraignment of a nation that had violated its written word.

Well, the other nations said, "No; no, Mr. Stimson, we cannot do that. There will be a war. Anything to avoid a war. It will mean we will all have to go to war in the Far East. We are terribly sorry. It is a long ways off, an awfully long ways off and it is not our business."

"Well," Mr. Stimson said, "we made it our business when, a few years ago, we signed these treaties."

They said, "No, it means a war and it might extend to other parts of the world."

So, the other nations would not go along with the American Secretary of State and Japan had a completely free rein in Manchuria and, of course, some of us who have studied the subject know what has happened to the population of Manchuria since 1931. It is not a very pretty story. And the League was responsible -- not the League, the eight powers -- the seven of them who would not go along with us in calling Japan's hand for failing to keep its international word.

And that is half the trouble with the world today. People have been making a lot of promises and they have not been living up to the promise. The promise has become an unused agreement in the covenant, to be taken out, trotted out, shown around, with no idea of ever living up to the solemn word.

And then came 1934 -- Ethiopia. And there again, Italy violated three or four promises -- covenants. The question of inter-

national decency was raised. In that case it went to the League of Nations and the question of sanctions came up and the League of Nations people said, "My God, do not do it; it means a war." So, because of fear of war at that time, they let pass unchallenged the violation of a solemn covenant between nations.

And then came Austria, Czechoslovakia and Poland.

Oh, yes, and in between, the other things: one was the Spanish War and the action that was taken by our Congress at that time was based, in the case of the Spanish War, not on the desire or the policy of the Administration, but because the League of Nations was afraid, afraid of war, a general European war, unless they put a complete circle around Spain. Well, as a result, Franco won. The action taken by our Congress at that time was in complete violation of our normal, usual practice, which was to help maintain in power, by selling arms and ammunition, the government of that nation that was in power at the time and not indirectly helping the revolutionists by saying to the constituted government of the country, "You can't have arms and ammunition."

What I am trying to say is the fact, not easily understood, but the record is perfectly clear that the reason the other nations -- the primary reason the other nations, led by Scandinavia -- it is a thing you got to get into your heads -- led by Scandinavia, Norway, Sweden and Denmark -- put a ring around Spain was because they feared that if they went in and in any way assisted the Government in Spain, it would have meant an European war. Then Holland and Belgium joined in, and all the other nations joined in, and the League of Nations said to all the other nations in the world,

whether they were in the League or not, "Draw a circle around Spain and don't let anything go in."

Of course you and I know that things did go into Spain both ways.

It was fear of war that led to Manchuria, later on to the present war that is going on in China. It led to Spain. It led to any other action, Austria or any other place, because the nations of Europe said, "Do not do anything, it will mean a general war if you do it." In other words, the desire for peace led to war.

Now, that is a perfectly simple historical fact.

And the thing came along from bad to worse, and I do not think, frankly, it is an awful lot of use to talk about the past, as to whose fault this was and whose fault that was. I do not think you get a long distance forward in trying to pass judgment in a very critical time today on episodes that are closed episodes. I really do not think you get very far.

It is an awful thing to say, but what good does it do? Where do you stop? Why not go back to the Franco-Prussian War and ask questions about that? It is not so long ago -- seventy years ago -- why not go back twenty years, thirty years, forty years?

I am not, frankly, interested in past history because current events that are beginning to form history are of much, much greater importance than trying to go back and rehash things in the past. Mistakes were made -- of course they were. The fact is today the world is facing -- well, when you come down to it, a choice, from our point of view, between different kinds of government. If you

realize it, it is the simplest way of putting it. In the last analysis, it is a question of different forms of government.

Frankly, I have seen a good deal of the world, probably more than anybody in this room, first and last, and a war. I don't think I would like to live, if I were eighteen or sixteen -- I don't think I would like, knowing what I do, what we have, having seen it all -- that I would care to live the rest of my life under Communism or under Naziism or under Fascism. If I did want to live that way, I think I would probably go over there and join them. If I wanted to live under our form of government, I think I would stay here and I think I would do what I could -- yes, to improve it, but also to support it.

So I think, if there are any questions that do not relate to the too distant past but relate more to things of the immediate -- as I said to the editors -- I will conduct this just like a Press Conference, in which I have certain formulae. One of them is "off the record." "Off the record" means off the record --

MRS. ROOSEVELT: (interposing) I told everybody that before.

THE PRESIDENT: Right. You understand what it is. Of course it is much better and we can talk much more freely. They (the Press) all understood it perfectly well and we have been getting on now for seven years. There have been, oh, some apocryphal stories that have come out a week or two later in the columns as to what we said but, on the whole, they have lived up to the gentlemen's agreement pretty well.

I think we can go ahead on that basis and if any of you have questions that are pertinent -- some of them we won't be able to

answer, either because of lack of knowledge or because there are things that, from the standpoint of national interest, cannot be disclosed at the present time, obviously -- you can go ahead and shoot.

Q I speak from the standpoint of those who share in great concern for the democratic form of government and who come from states where more than half of the citizens who should be voting according to the democratic form of government and our Constitution are denied that right today and, when they try to vote, are in some instances, as some of us know, beaten up by thugs and thrown into jail because they are trying to do the thing which they think they have the responsibility to do, to vote and to get their fellow citizens to vote.

THE PRESIDENT: What are we going to do about it?

Q What are we going to do about it?

THE PRESIDENT: I will tell you one thing, you can't change it in the year 1940 or you can't change it in the year 1941. I will give you an illustration: I was in Chattanooga two years ago and I drove around Chattanooga with old Judge -- I have forgotten his name -- an old Tennessean.

We were driving through this street and, if you know your geography, you know the State of Georgia comes right up to the city line of Chattanooga. We were still out in this street, a big wide avenue, in the State of Tennessee, and there was a large portion of the population out in the streets, and they were waving their hats and yelling, "Hello, Mr. President."

I said to the Judge, "Do these people vote?" "Yes, there

are about 80 per cent of them vote." I said, "What? In Tennessee?" He said, "Sure, not in every part of Tennessee, but they vote in Chattanooga."

Then we came to a sign, a little sign and it said, "State of Georgia." We went over past the sign, still in the same suburb, and the colored population was standing there, not saying a word. I said to the Judge, "You don't vote in Georgia, in this suburb in the same city?" He said, "No; none vote in Georgia."

I said, "Judge, what is going to happen?" "Well," he said, "there is going to come a time, largely through education."

I said, "How long?" He said, "I think they will begin voting -- it is a gradual process -- I think in Georgia they will begin voting in perhaps another five years."

I said, "That is a long ways off." I said, "What about the court ruling, the Supreme Court?" He said, "That is a possibility." He said, "I think we have got to pursue all possibilities and bring it along as fast as we can." He said, "I have always worked for it in the State of Tennessee and now we have caught on substantially in most parts of the State and now it is spreading."

There is a time element. You cannot get it in one year or two. We are all working and in time it will happen. Of course, part of it is the problem of education and, as you know, in my State of Georgia what education there is, is not so hot, poor whites or otherwise.

Q In the Workers' Alliance we were considerably disturbed in January when, in your Budget Message, there was a proposal for approximately a billion dollars more for armaments, for war purposes

generally, and about a billion dollars less proposed for relief to the farmers, the youth and the unemployed --

THE PRESIDENT: (interposing) That is not true.

Q Perhaps my figures may not quite jibe with yours but we will spend an aggregate --

THE PRESIDENT: (interposing) In other words, the Message said in regard to unemployment that I would send to the Congress -- if you look it up -- when I knew more about it, in April, the spring of the year, an estimate in accordance with the new figures, and it has gone in on the same basis as in previous years.

At the same time, on the farmers, that was definitely deferred until we knew farm prices. That went in for $350,000,000. additional already this session, over and above the Budget Message, in accordance with the statement made.

Q Well, it was our understanding then, from sources that we considered to be authoritative, or in the know, so to speak, that the President felt that he did not have sufficient control over Congress to ask for additional funds for relief. He did, but it could not get through --

THE PRESIDENT: (interposing) At that time, in January, yes, but with the proviso that we would do it in April and I did it.

Q However, since that time we have had indications that the President is now in control of Congress, which is an unusual thing for the last year --

THE PRESIDENT: (interposing) Now, wait a minute! (Laughter) Now, you see? Now, we will check right there. You are a little bit as if you came from Shiloh Valley. Today and tomorrow there is

up in Congress an effort to completely emasculate the National Labor Relations Act, and there is a distinct possibility in the House that that bill that Congressman Smith of Alexandria proposed may go through. I am utterly opposed to it, as you all know.

In other words, a statement that I am in control of Congress is just like the Shiloh Valley statements about the illegitimate children -- it is a half-truth.

At the present time, I could ask for another billion dollars on top of four billion dollars for national defense and I will get it. But I am not in control with respect to a thing like the National Labor Relations Board or the effort to emasculate the wages and hours thing.

So your statement is a statement -- a generalization. It is true as to one thing and false as to the other. You see the point?

Q I believe I do. But we felt the President could ask for more and get more, and we suggested to some of the Congressional leaders that that could be done and that we felt that there would be no more by way of opposition than seventy-five votes on the President's Budget recommendation, including his recommendation that the money be spent in eight months if necessary.

THE PRESIDENT: That I am going to get.

Q And our feeling in that matter was borne out because there were only twenty-one votes against it, which indicated considerable strength.

We feel, in the light of the recommendations of the President for increased armament expenditures, that the President has not been, let me say, diligent enough in calling upon the Congressional leaders in his own party to push through additional appropriations

for relief. There are now over a million people who have been investigated by local relief authorities and certified for W.P.A. employment, including, we estimate, between 2 and 3 hundred thousand youth of less than 25, who have never yet had an opportunity for a W.P.A. job.

On this basis we suggested, and a major portion of the organized labor movement endorsed, a minimum of 3 million W.P.A. jobs.

We feel that internal defense in this respect is vitally necessary and we would like to ask the President -- I would like to ask tonight, as an individual in this meeting, Why hasn't the President insisted upon that?

THE PRESIDENT: Well, a very simple reason: If there had not been this war -- I am not at all sure and I suppose, whether I like it or not, I suppose from somewhat long experience with different kinds of legislatures that my case is as good as your case -- I do not know if it is any better but it is at least as good as yours -- and if there had not been this war problem, I am not at all sure that Congressman Woodrum and his Committee would not have prevailed in limiting the appropriation to a billion dollars for a whole twelve months.

That is rather a startling statement but it is given in accordance with the best guess I can make, and that would have meant a further serious curtailment of W.P.A. in point of rolls, very serious. As it was, as you probably know, the subcommittee reported out the bill to the full Committee with that provision, that the billion dollars should last for a whole year, and in the

full Committee we only carried what I was after, which was a billion dollars in the first eight months, by two votes in that Committee. If we had not carried it in that Committee -- and that was after this war started -- if we had not carried it, I am not at all certain, with the knowledge I have, that I would have gotten a billion dollars for a whole year -- twelve months.

In other words, I am inclined to think we have got the maximum we can possibly get out of this Congress. It has not gone through the Senate yet. Now, I can assure you if there is a hope or chance of getting an additional amount out of the Senate, when that relief bill comes up -- I have talked to them all and they know I want more.

Q May I ask another question, and that is in regard to the layoffs now taking place. It was our understanding that the President was interested in seeing those layoffs stopped. However, I do not recall having seen a public pronouncement by the President to that effect. We were hoping at least that, since the layoffs have taken place during April and May, that now the President would ask for an immediate effectuating of the present bill, the present Act, which is now before the Senate Appropriations, so that at least approximately 200,000 layoffs scheduled for June may be stopped.

THE PRESIDENT: I have been asking for that since the fifteenth day of April. It is in the record. I wanted it to apply to May and June and they adopted the very simple expedient of not taking action on the bill until the end of June. Therefore we are not getting it.

Q I represent one of the largest colored groups in our country, inter-

ested as much as anyone else in preserving this way of life and political form of government despite all the difficulties. We are certain it means far more to our life and happiness than any other form I know.

We are all interested in the defense of our country and we use the term "our" very strongly. But we are a bit alarmed about asking for so many fighters and planes and then not receiving any help or interest on the part of a great many individuals by their not taking cognizance of the desire of Negroes to represent their country too. For instance, we would like to get into aviation or get into other forms of defense, taking the situation as it is and not saying whether we ought to go to war or not.

But that has always been the case and we were wondering whether, in the policy of boards being set up, whether Negroes are to be considered -- to be considered by people who are in closer touch with our own side, for there is another side -- we have the peculiar problems of Negroes.

We are wondering as to two things: one is the policy of not using Negroes, and the second thing, on various committees of Government, whether we are to get representation. What can be done about it? What can we do?

THE PRESIDENT: On this specialized training of all kinds, the thing we are examining at the present time -- is Harry (Mr. Harry Hopkins) here?

MRS. ROOSEVELT: Yes.

THE PRESIDENT: Harry, what are we doing right now on the specialized training? We talked about it a week ago and Sidney Hillman is

going to get here -- he has got the flu -- next Monday and he is going to take up the question of this specialized training.

MR. HOPKINS: It is perfectly clear on that -- you know perfectly well that amongst the Negroes there are two schools of thought about negro representation on the committees. Some Negroes believe that Negroes should be represented on the committees because they are Negroes, that on all committees there should be a Negro representing the Negroes. Then I think it is fair to say -- I might be wrong but I think that most of the liberal Negroes do not agree with that. They believe people should be on committees, should hold jobs, because they are competent to hold them and not because of their race or religion.

Now, I do not want to state that or push it unduly, nor do I want to seem to indicate that Negroes are adequately represented in various places.

On the training course, Mr. President, where we had 10,000 pilots trained last year and 20,000 this year, and 45,000 will be trained this coming year, those to be trained are trained out at universities and colleges in America, and Negroes are included in that group. I think the young man, however, is talking about something else, in terms of fighters rather than that.

Q I want to say something in this situation with respect to the point of view of labor: Looking back a little while -- not too long -- to the period of even N.R.A., when the right of labor -- when they were permitted to organize and collective bargaining was protected and then denied and then, recently, through the National Labor Relations Board, was once again reemphasized, it seems a little con-

fusing to us that in this present situation, this whole program of national defense, that the Administration has taken no stand on the recent attacks and indictments under the antitrust laws of the labor unions, amongst whom is my own, the Fur Workers' Union, for no other reason, as the Judge and others have stated, than that it is a conspiracy for the purpose of organizing the whole industry. And many people --

THE PRESIDENT: (interposing) What industry did you say?

Q The fur and leather. I am vitally concerned with this whole recent attack on the trade union movement and the need to protect the recent gains of labor, especially in this emergency. I would like to know your stand on these questions?

THE PRESIDENT: I am afraid I am a little confused. Can you specify a little more?

Q Yes, the Sherman antitrust indictments.

THE PRESIDENT: Who have they been against?

Q The Fur Workers' Union, the Teamsters' Union, the Electricians' Union --

THE PRESIDENT: (interposing) The Teamsters' Union, as we know, certain local teamsters' unions are perfectly clear-cut rackets, you have got to admit that. Some of the building trades in New York and other places have been rackets. That is why antitrust indictments. And it was not only the unions that have been involved, but there have been rackets and combinations and conspiracies among the owners of the industry -- you know that. What I have been rather surprised at is that some of the leaders of those particular international unions have not come out and made more of an effort to

get rid of the rackets in some of the locals.

Q In our own field, in the C.I.O. --

THE PRESIDENT: (interposing) I do not mean the field. A fair case --

Q (interposing) I do not think they found against us.

THE PRESIDENT: What was the indictment based on?

Q Conspiracy to organize the entire industry. For instance, there were some three thousand people in New York organized and their conditions radically altered for the better under this whole so-called conspiracy. That was the indictment.

THE PRESIDENT: I would like to see that indictment because I cannot imagine any indictment that would hold water over ten minutes that was based on an effort to organize the whole industry. I do not think it lies and I would like to read it before I answer your question. I am quite sure, if your statement was right, that the indictment was based on the attempt to organize the fur and leather industry, and you stop there, that when you get to the next court they will throw it out on its ear. I hope they will if that is true, and I think they will. I know enough law -- I am not an expert lawyer -- that that is not the basis for an indictment.

Q That may be, but Thurman Arnold represented the Department of Justice and I presume he is an Administration appointee. He conducted, very vigorously, the whole affair. The result was the conviction (indictment?) in an effort to break up the union and the industry.

THE PRESIDENT: Well, I will read it.

Q Mr. President, I was particularly interested in Mr. Hopkins' answer to the questions raised by Mr. Robinson because I think it reflects one of the things in which all negro youth in America are particu-

larly interested on a general scale, and that is our equal participation in all phases and opportunities in the government and the life of America. It is for that reason that I want to hark back, for a moment, to the first question raised and that was the question about poll taxes.

Now, you said that in your opinion the solution to this problem will come through education?

THE PRESIDENT: Right.

Q Well, I want to raise the question: Is it not true that the people we have to educate today are Congressmen and Senators? For instance, there is a bill that has been proposed by Representative Geyer of California, the Anti-Poll Tax Bill, which would eliminate the poll tax as a requirement for voting in Federal elections --

THE PRESIDENT: (interposing) And if it is constitutional, it ought to go through. I hope, frankly -- I could not give you my opinion as to whether it is constitutional because that has to go through the courts -- I hope it is constitutional.

Q I hope it is too, and I would like to talk, just for a moment, on the assumption that it is constitutional because, at the present stage of the game, the only people of America that are backing this bill are organized, such as the one for which I work, the Southern Negro Youth Council, and there are other organizations --

THE PRESIDENT: (interposing) And you ought to get more people because it is a difficult thing, as you know, in our civilization unless you have sentiment. You take the voters in Dutchess County, New York, where that problem of poll taxes does not affect their lives: we are all human and I think probably most of the people of Dutchess

County, New York, if it was explained to them would get behind the bill.

Q The point I am trying to make is that I think the fact that our Senators and Representatives, people in official positions who should be supporting this bill but are not today, is a fact which creates a great deal of uneasiness in the minds of American youth, for the reason that we connect their attitude of lack of activity on this question with the fact that they are concentrating all their efforts on the program for rearmament and are neglecting not only the poll tax effort but it is true also in another case, another piece of legislation that particularly affects the Negroes, the Antilynching Bill, for which we had achieved a majority of signatures in favor of this bill. Now we find that these Senators refuse to take action to bring the bill to the floor and have a vote on it.

Now, it is the general impression, not only of Negroes in America but probably of the majority of people, that one of the dangers inherent in our present rearmament program is that such pieces of legislation as these have not only been sacrificed -- they have already been sacrificed -- but will continue to be, despite pronouncement that we may make to the contrary, unless we are able to organize our Senators and Representatives and people who have the power to form our national policy so that the security and civil liberties of the American people may be preserved.

THE PRESIDENT: I think it is a very good point. You have to remember on that point that when you get to a crisis of this kind, you also avoid the repeal of a lot of good legislation we already have.

Especially in a campaign year, it works both ways. I think we have to keep pushing all our social legislation to improve Government machinery.

Now, you spoke about that Antilynching Bill: You have got a situation up there on the Hill which goes back well over a hundred years, when the Senate began calling itself the greatest debating society in the world -- the most exclusive club in the world -- "We operate without any rules whatsoever." One of the inherent rights of a Senator is to filibuster just as long as he can stand on his feet. "We operate without rules." Now, one of the things that is a perfectly practical thing for everybody here, and that is to put to every candidate for the United States Senate the question, "Are you in favor of the Senate continuing its right to filibuster and prevent bringing to a vote certain legislation that a minority of the Senators, a rather small minority, is opposing -- the majority in favor of it?"

If you can get a vote on the Antilynching Bill in the Senate it would go through -- we all know it.

Q For that reason, the question I want to emphasize, and it is one which should be of particular concern to all who are here, and that is, What can we do, what can you do, Mr. President, in your position as the official representative of our Government, to see that our Congress takes some position, some stand, on these issues, for the very serious reason that, I believe, among a large section of the population, the program for defense and rearmament, in some places, is held in suspicion because they feel that the first line of defense of America should be that of the social needs of the

people, and that this is the thing that our Senators should certainly concentrate on with equal ardor as their concentration on our military objectives.

THE PRESIDENT: Nothing more than you would have done right along. It means getting ninety-six Senators to say, "Go out and take a vote on the Antilynching Bill." You have had some rather definite accessions of strength this year. Take the Vice President and several other southern Senators: they have given up and said, "Yes, we think it is better to take a vote." We are gaining on it but you won't get it this year.

Q I was very much interested to note in your statement, after the rapid development of the emergency and after your bill for the extended arms program, that the hard won gains of labor should not be lost sight of in the present situation, and then the Congress, by a voice vote passed the Vinson Bill, which would, I think, be an opening wedge for undermining the thing that has been so slowly built up.

THE PRESIDENT: I have been trying to get it eliminated in the Senate.

Q That is what I want to ask you, What will happen in the Senate?

THE PRESIDENT: I hope it will be eliminated. I do not know yet; they have not taken a vote.

Q What would you advise us to do?

THE PRESIDENT: If they do pass it, of course, obviously, I will have to sign the bill but with it will go a statement that those clauses will not be used.

Q In other words, those clauses are virtually voided by the way you sign the bill?

THE PRESIDENT: Yes.

Q And will that be true of legislation of a similar type?

THE PRESIDENT: I have been fighting it right along.

Q Because, what we have been struggling for, for eight years, is being eliminated in the course of a few weeks.

THE PRESIDENT: Yes. And then, of course, another thing too -- on the actual administration, people want to get things done. Now, in one of the departments I caught the other day an order going out for the Navy Department to the effect that any commandant of any industrial plant, Navy yard, has the right to work people forty-eight hours a week without reporting it back to the Navy Department and to me to get permission. I just caught it by pure chance. It is legal to do it. As soon as I caught it, I said, "No commandant is going to get that authority."

Now, we all know in a Navy yard, for example, there may be some special trade like die sinkers. Well, if you know anything about die sinkers, you know it is practically impossible to find a die sinker today. Therefore, in that case, a very, very small trade, in order to keep the rest of the plant running forty hours a week, you may have to employ your die sinkers forty-eight hours a week. There are not very many of them.

Now, that is the kind of an exception you have to have for the benefit of the other ninety-nine per cent of the workers in the yard.

But the general rule from now on, although they have the authority -- I caught it and they are not going to work forty-eight hours except in those special cases where one trade has to

work for a period until they can get more people in in that trade, that highly skilled trade. That will be the rare exception to the rule and we are going to keep to the regular standard of forty hours a week.

Q Mr. President, I am chairman of the Connecticut Youth Council. In our State seven thousand young people are aided by N.Y.A. out of 125 thousand people that need it on relief certification. That is still the most important problem for young people within our borders. We know that you, on January fourth, said that the plight of youth was the special concern of Government. We feel that such a tremendous problem must be a constant concern to the leaders of our Government. On February tenth we heard from you that ten, twenty, thirty years ago unemployment had no such worries for young people as now. Since then we have not heard anything to the contrary. Nevertheless, the N.Y.A. and the C.C.C. are at the same figure that they were last year so that the disparity between those that are given and those that need help still continues. We want an answer from you and we want a concrete proposal.

THE PRESIDENT: Well, I think Mr. Hopkins has the general figures and plan on that. We are extending, when we get this bill passed, we are extending the C.C.C. and N.Y.A. and, of course, the C.A.A. employment. What do you suppose the total will be, Harry (Mr. Hopkins)? Have you got any idea of the additional number?

MR. HOPKINS: I think it will probably be about two million young people all together.

Q May I ask a question of Mr. Hopkins about that program? I am very, very much concerned that in the kind of training, apprenticeship

training particularly, which these young people are to be given, that it ought to be of sufficient breadth so that after the war we do not have the same situation for young people that we had after the last war. In other words, a necessity for a reorientation of skills and occupations for a vast number of people who have been trained with such a narrow conception of training, because of the emergency, that they have not the kind of skill which can be reoriented. Will there be provision, or will the plan involve a sufficiently broad training so that there is possibility of a rather rapid reorientation after the crisis is over?

MR. HOPKINS: To the best of my knowledge -- I find this going around the Government -- that is a difficult objective to identify with defense and the desire on the part of the Army and the Navy and the Air Force to meet a potential enemy. Obviously, that ought to be organized with all the brains and intelligence that it can be.

I know a good deal about the difficulties of some of the training prior to and during the last war, when we had all these people under mobilization and demobilization and I doubt whether it is possible to organize the thing as meticulously as you indicate. None of the experts in that field whom I have seen think that it can be.

On the other hand, I think the problem you raise is one being given consideration by the people who will manage the program because these people are very critical of the kind of training we got last time. I do not want to underestimate the problem you present --

THE PRESIDENT: (interposing) It is practically a new subject that we have been only talking about, discussing, the last five or six years and, of course, into it enter a whole lot of things that are new to all of us. Well, I always cite the thing that happened to me when I was Governor (of New York). They passed two bills through the Legislature to provide two new normal schools for the State of New York, one in Long Island and one in the western part of the State. Before I signed them I sent for the Commissioner of Education and I said, "You have got a list, I think, of school teachers, that is to say certified school teachers, who are looking for jobs?" He said, "Yes." I said, "How many are there?" He said, "I don't know."

So he went and checked up and there were six thousand men and women, certified men and women, who had gone through Hunter College, normal school, teachers' colleges, et cetera, and who had been certified for employment as teachers. There were six thousand in the City of New York alone who had no job, and there were seven thousand up-State who were certified and looking for jobs. Now, they had gone through the entire educational period. They had become qualified teachers and there were thirteen thousand more in the State of New York than we had jobs for.

Well, what is one of the answers? There was a little girl up in Hyde Park Village, a nice kid, seventeen years old. She wrote to me and said, "I want to go to normal school over in New Paltz." I said, "Why do you want to be a teacher?" "Well, I don't know. I rather like the idea. I think I would like to be a teacher."

Well, she did not have any particular qualifications, any more than the average girl in the world when it comes to teaching. Nobody had ever looked her over. If she had gone to normal school she would have waited three years and then gone on the list because she did not have personality. She was a nice kid but no personality. She might have been employed teaching in the grade school somewhere but I wouldn't have picked her out, if I were running a school, as the kind of girl to teach those youngsters.

Well, why? "I think I would like to be a teacher." Well, I talked to her and I said, "I would not like to go to normal school if I were you." So, instead of that, she went down to a business college and became a stenographer and is doing real well. It so happened down in that region that there was a need for stenographers.

Eventually, out of this study we are making we are going to present a lot of misfits in life, people who want to do a particular thing for which they are not fitted.

I don't know what kind of an examination there will be -- we do not know enough about it, but we will have to pick and cull the people for this particular trade, that particular occupation, that particular profession.

Well, you take one very practical illustration of this problem: Almost everybody tells me -- it is a good many years since I was in college -- that there are an awful lot of boys and girls who ought not to go to college but who do go to college and, as you know, take a graduate class today, I think probably in most of the colleges in this country you will find that the majority

of boy and girl graduates in those colleges come to Class Day, Commencement Day to get their diplomas and they haven't the foggiest idea of what they are going to do in life.

Q Mr. President, I would like to get back to the question of the rights of the negro people because I feel that the final test of any group that is interested in extending and preserving democracy is the position of the negro people. There are 15 million American Negroes who still do not enjoy full citizenship rights and we are in entire agreement on the proposition that the first line of defense is the security and well-being of the citizens of any country.

The negro people are particularly interested in this theory because they feel that they do not have complete welfare and security in the United States, which is a democracy, and we feel that since defense is the burning question, that certainly the Administration should go out vigorously, even perhaps more vigorously, on the question of the rights of Negroes as being as much a part of the program for defense as any other thing.

Things that have been brought up here are just a small part of the vast question with respect to the rights of Negroes. In the South they are under the system of Jim Crow; in the North it is more subtle but it has its forms and I feel there should be a vigorous indication on the part of the Administration on the stand it takes on the negro question.

THE PRESIDENT: I think you are dead right. I do not know much about the women's end of the negro question, but I know a lot about the men's end. I went down to Tuskegee a year and a half ago and at that time, because of our tremendous forestry program, we were

looking for two types of trained people. One was the graduate forester. Well, that means just about as much time as it takes to become a bachelor of laws. And I said to Dr. Patterson, "Is there any school in the country that has ever graduated a negro forester?" He said, "As far as I know, no."

"Have any of them gone to the northern forestry schools?" "Not that I know of."

Secondly, we need a tremendous number of what is called "working foresters" who have not had the long three-year course but have had the short two-year course, which does not require a college degree. Now, there is no school in the United States, no negro school that teaches forestry. Did you know that?

Q No.

THE PRESIDENT: That is a true thing.

MRS. ROOSEVELT: Would they have been taken on if they had taken the course?

THE PRESIDENT: Yes, and particularly in the South because there is a tremendous need. There is a profession at the present time where there is demand. It is as big, bigger than the supply -- graduate foresters and working foresters.

Q They work in groups, do they not?

THE PRESIDENT: No -- what do you mean?

Q You don't send one lone forester to a special place; you send a group?

THE PRESIDENT: No.

Q You would have to send a unit of colored workers?

THE PRESIDENT: Not necessarily. Believe me, they are so scarce today

that they would take anybody. There are a good many things we have not gone into along that line for definite occupations for negro men and negro boys. We are not teaching them. Take simple engineering. Out through the West, on these soil erosion control projects, we have not got enough young engineers that know the practical engineering field work to fill jobs on the different projects that we are running all through the Middle West and the Prairie States. There is no place to train them.

Q The question I am raising is that there are definite policies that have grown to be such a definite part of our American system that we have come to accept them, that prevent Negroes from taking a full part in the life of America.

THE PRESIDENT: I am not so much interested in the statement of policy as I am interested in the training. What I am trying to do is to get negro colleges to train people in the work where there is a real need for them. That is practical.

Q I think, since we have had all of these Yankees speaking, we ought to let a Southerner speak. Down South we are having an awful lot of talking these days, and newspaper editorials, about fifth columns. In Nashville there was an old man who had a map in his pocket, I believe of Memphis, and they had banner-head columns, "Fith Column Man Arrested," and two days later they released him. He was not an agent of a foreign government. He was a little demented.

Down in Houston, Texas, we had a young Negro who was to speak on the un-American activities of Mr. Dies. The American Legion protested to the agency that had charge and the permit was with-

drawn. Many people, nevertheless, came to the meeting in carloads but the policemen came with the speaker to the meeting to see that the meeting was not held.

We have all sought in the South to find out about the un-American activities. What I wonder is where are these un-American activities that we are having and do they exist? I have asked a lot of people coming down in the train, "Do you see any fifth column?" At first people say, "They must be here because the editorials say so." I wonder whether the great interest in your speeches and other speeches of people in the American Government about the dangers of foreign elements working among us, and if the increased appropriation for the Federal Bureau of Investigation, and if the subtle and, I think, partial endorsement of the Dies Committee which you recently gave in saying that you got some information from the Dies Committee -- I wonder if you yourself and members of the Government are not partly responsible for this great scare and I wonder if the fifth column activities actually exist among us?

THE PRESIDENT: They do, very definitely. I will give you a very simple example: There are at the present time, within the past couple of months, I suppose there are at least between forty -- that is a guess on my part but I think it is about right -- about forty or fifty factories in this country where somebody in the factory has attempted to destroy the tools in those factories. That is fifth column. That is the easiest example I know of. Those are perfectly known cases.

Q In your Reorganization Order, which transferred the Alien Immigration

Bureau from the Department of Labor to the Department of Justice -- I did not have a chance to read it all -- did it provide at all for the defense of aliens?

THE PRESIDENT: It does not change the law.

Q It did not change the law at all?

THE PRESIDENT: No.

Q Doesn't it seem to you like -- I think it has been shown that the aliens are brought up before this commission. It is not a trial in the sense that it is a court, it is an Administration commission appointed by the Administration and the Administration halts there. Although these aliens in the past have had the right to counsel, it is a sort of hazy right and not many of them have lawyers. Don't you think, especially in these hysterical times, these persons --

THE PRESIDENT: (interposing) Do you know of any cases where, before these commissions, there has been any denial of justice proven?

Q I know in the World War, right after the World War there was definitely, I think.

THE PRESIDENT: I think there was. I think a good deal of it went on at that time, which accumulated into the bomb that was set off up here on R Street to try to blow the Attorney General of the United States into small atoms. It was hysterical, of course; no question about that. In the same way, I do not know how many judges you have got in this country all told, but thousands and thousands. Well, in any large number of officials you are bound to find probably the same number, the same percentage of people who go off half-cocked, of people who do stupid things, the same number as

you do in any other walk of life. There are probably just as many stupid or crooked people among the lawyers or the clergy as there are in the American Youth Congress.

Q I know a lot of people.

THE PRESIDENT: In other words, you are bound to have down at the bottom, in those things, certain denials of justice. What we are trying to do is keep the percentage as low as possible.

Q If I could go on a little more. It seems, though, in this situation -- I believe you are in favor of the public defender system -- that in these Administration trials, that these persons should be allowed some sort of counsel because the rules of evidence are different in Administration tribunals than they are in the courts and, in hysterical times, with the Department of Justice being the tryer and prosecutor, unless --

THE PRESIDENT: (interposing) No, because the same people are going to do that. The personnel has not changed. There will be no change in the personnel.

Q I think, as you probably know, the majority of American young people support the national defense policy and internal actions against fifth columnists. But I think the thing that worries a great many of the progressive young people -- there are two things that really worry them: one is the fact that so many people who have been opposed to all the social legislation of the New Deal are now suddenly coming around and giving support to armaments and things like that, and the second thing is the point made here about so many evidences of real hysteria among such men as Governor Rivers, who are coming out against the fifth column. I know of

German Americans who say that people are spying on them and making life miserable.

There are two questions I have: (1) How can we guarantee that a rearmament program, the national defense program, will not fall into the hands of reactionaries who have always been against us?

THE PRESIDENT: Eternal vigilance is the only thing I know. The fact that some of these people have suddenly shifted over is probably a good sign. Some of them I did not think could ever shift over.

Q But in local organizations, in the R.O.T.C. and C.C.C. and other places, there is always a danger that education and everything else will be in the hands of traditional militarists and others who are pretty reactionary people, and it seems to me -- I think that many people who have questioned this thing could feel so much more certain in their support of the arms program if we felt that there wasn't a greatly strained relation going on and people who are suddenly coming to the support of the arms program might not automatically --

THE PRESIDENT: (interposing) Eternal vigilance.

Q And the second question is, Just who are the fifth columnists in the United States besides the obvious spies? Aren't there people like Mr. Girdler and Ford and others who really are the fifth column?

THE PRESIDENT: Just exactly the same category -- I agree with you -- people who avoid the consequences of it, the Girdlers in life as well as the people who try to put emery into the machinery. I think eternal vigilance is the only answer. You are going to have

a certain percentage of cases, like I said, that will be badly handled and everything else. You have got to watch that, the individual case.

Q You suggested in your speech at the beginning of the meeting that the choice of the people of the world today was a choice between forms of government, so my questions are these:

First, do you believe that the Allies are defending any particular form of government, whether they are concerned with democracy?

And the second, if that is true, is it borne out by their imperialistic policies?

THE PRESIDENT: I do not think that is the question. I would put it the other way around. Where would you rather live, in France or Germany, today?

Q You are asking me?

THE PRESIDENT: Yes.

Q Is there much choice today? I would answer that I would much prefer living in the United States.

THE PRESIDENT: Yes, but between France and Germany I would certainly much rather live in France. After all, the civil liberties in France have always been, on the whole, pretty good. The French people are an extremely independent people, if you know anything about them. I think their form of government is very cumbersome and I think this changing of administration every few months is an extremely bad way of running a government in any country. But they have a pretty free method of life and you will find that the average French family has a great deal of civil liberty. Now, if

I had to choose between the two, I would rather live in France than in Germany.

Q The question now is whether I would enjoy living in the French colonies and I would have to answer, "No."

THE PRESIDENT: I agree with you. I am talking as between France and Germany. I would say this -- have you ever been to Martinique?

Q No.

THE PRESIDENT: Martinique is a French colony and they have a very interesting form of local government for nearly all Negroes. They get on extremely well with the small number of French white people who are down there. They never have any trouble. They have a low standard of living but that is so all through the West Indies. They are a happy, cheerful people and, surprisingly, they have much better education among the Negroes of Martinique than we have in most of our states in the South. Now, that is an interesting fact and that is a French colony. The same thing applies to Guadalupe.

Q Not in Indo-China?

THE PRESIDENT: Indo-China, no.

Q I don't want to prolong this discussion but I would like to ask one more -- the first question I asked you, whether you believed that the Allies were fighting for democracy, whether they are concerned with --

THE PRESIDENT: (interposing) Put it the other way around. They are fighting for a better form of democracy, certainly, than Germany is fighting for. I would say it is an ideal.

Q Do you believe that England can regain the democracy that the British

people have recently given up?

THE PRESIDENT: Who is suffering from that?

Q Well, I would think that in the long run the world is suffering.

THE PRESIDENT: No, I am talking about England.

Q The British people.

THE PRESIDENT: Most of the people in England who are going to be caught by that last order in Council are the richer people in England. They are the ones that are going to have their property taken away from them. And, furthermore, knowing history, I do not believe for a minute at the end of this war that they are going to continue a thing like that, not for a second.

Q May I bring a message from the Midwest?

THE PRESIDENT: What?

Q May I bring a message from the Midwest? I come from the State of Wisconsin, the home of the elder Senator La Follette. During the past four or five years I have been working there in the Y.M.C.A. and during the last three years for the National Peace Council. In talking with some of the "Y" people throughout the country who have been following these questions of the American relationships in the international scheme, I find there are quite a few questions that come into the offices with respect to what is the best defense policy for this country to follow. That seems to be a question that is before most of the persons who are asking these questions at the present time.

The questions seem to run along these lines: First of all, What is the best defense policy for the United States to follow? And then most of them raise a second question: Where is our real

enemy? Most of them, they tend to indicate in their letters and in their statements that they feel the real enemy is within this country, that there is very little danger of the United States of America being invaded by a foreign invader, that if we are going to adequately protect this country and the things for which it stands and the Western Hemisphere stands, we have to talk in terms of the defense of the democratic privileges of the members of all the minority groups, of all the different class interests in this country. And many of them are wondering why, when the question is raised in the various places, the Administration or the Congress, that when the question is raised more attention is not given to what they consider to be more important, the question of defense from our enemies who are within this country instead of talking in terms of the distance of certain points in the United States from possible air raid bases, and the question of a foreign invader, and the question of protecting ourselves by building up armies against that foreign invader, which they think will protect us against a foreign enemy?

THE PRESIDENT: It is a little bit a question of the English language. If I say to you, "What is the total of five apples and four pears? give me one word that describes it," you cannot. It is still five apples and four pears.

What you are doing and so many people are doing, perfectly naturally, is to fall for the misuse of the English word "defense." That word "defense" means two separate things, just as different as apples are from pears. You are talking in one breath about the American's defense of his way of life and trying to build up

within our own Nation a better way of life. We have got to have, for the future of the Nation, irrespective of armies, irrespective of navies, irrespective of aviation, we have got to have better, stronger, more prosperous and better living people than we have got today. Now, that is one problem.

Now, you cannot talk about that problem exactly, using the same words, as you do about the possibility of the invasion of the United States, or letting people put a stone wall or a concrete wall or an armed wall around our country. That is an entirely different subject, just as different as apples are from pears.

Now, I am all for what you are talking about and what they are talking about in the Y.M.C.A.'s throughout the West. Of course we are talking about it but do not let us make a comparison between that and a different subject, because it is a different subject.

Q I think also there is a distinction between the two subjects. My point is that many of the inquiries that come in believe that the most important of the subjects is not being stressed adequately at the present time.

THE PRESIDENT: Well, perhaps it is not. It is a little bit difficult in our system of government to pursue two equally important things with equal emphasis at the same time. That is darned hard.

Q Mr. President, the C.I.O. Executive Board has been in executive session here for three days and that Executive Board adopted a resolution on national defense based on the fact that we believe that one of the most important elements for national defense is keeping up the morale of the people and their confidence in our country and its institutions and, in order to follow that out,

that it is absolutely necessary to maintain the rights that the people have gained, particularly the rights and gains made by labor the past few years under your administration.

It was during these sessions of the Executive Board that it was reported there that many employers are using the war hysteria and using the cry of patriotism and national defense as an excuse to try to take away from labor some of the gains that labor has made.

Now, the question is this: We know your position on this because you have stated it clearly and positively. Would it be possible for you to issue an Executive Order which would provide that in every contract made by the United States Government for arms or for any other goods or services required by the Government, to include in there, as a condition of this contract, that every employer shall adhere to and shall obey the laws on the statute books, such as the National Labor Relations Act, the Wages and Hours law and such other legislation as has given to labor and to the people such rights as they deserve?

That does not require any legislation. It merely requires an Executive Order by the President instructing the administrative agencies of the United States. It certainly would be a tremendous sign to labor and the people of this country that, as far as the Administration is concerned, that it intends to see that these laws, which will maintain morale and which will heighten confidence, are going to be enforced, and that at least every possible effort is going to be made to enforce them. Would it be possible for such an Executive Order to be made?

THE PRESIDENT: When Sidney Hillman gets down on Monday -- it is a little bit of -- what do law students call it? -- it is a bit of surplusage to say in a contract that you have got to live up to the law because they have to anyway. But I will talk to Sidney Hillman. You mean the moral effect of it?

Q Because, actually, our experience has shown that employers are using the situation, the cry of patriotism, the cry of "We have to do everything for national defense" to break down the morale, the organization, and create the thought in the minds of the people that perhaps this war is a pretext to produce tremendous profits for employers and misery for the people. We have got to stop the development of that psychology or else the internal part of the national defense, the morale of the people, will be broken down and create a situation detrimental to the country.

THE PRESIDENT: There is, I believe, in the present Government contracts a clause to the effect that this contract is subject to the full force and effect of all statutes, et cetera, of the United States. I imagine that is in all Government contracts still. I am not dead sure. Anyway, I am glad you mentioned it. I will take it up.

Q During the coming summer I shall be at a lot of conferences of church youth and, as you know, they spend freely of their time in the discussion of social and political problems. One of the questions -- in the multiplicity of them there are conscientious objectors -- and they are again asking, and I know they will be asking all summer, "Will America give the same assurances and the same guarantees that England is giving to her conscientious objectors?" The last

war showed a lesson we all remember and the question is whether they have learned that lesson?

THE PRESIDENT: Oh, yes; sure. There is no doubt about it.

Q I wanted to get back to the question of jobs. In the Youth Commission reports last November it was pointed out that there were so many more youths today than there ever have been before and would be in another decade. It was pointed out further that even in a normal expansion of war industries there would be few jobs open to young people and that the Government should sponsor some type of Federal projects, I presume similar to the N.Y.A. or the W.P.A., but on a national scale and on a much more substantial and secure basis, presumably something like the American Youth Act.

I would like to know your expression of opinion on that recommendation?

THE PRESIDENT: Well, of course this thing divides in about fifty or a hundred different ways. As Mr. Hopkins said, we are going to have a great many more opportunities for young people to get jobs. Right, Harry?

MR. HOPKINS: Yes, sir.

MRS. ROOSEVELT: Have you got that appropriation or is it still subject to Congressional action?

THE PRESIDENT: We haven't any money. There hasn't been a bill gone through. I haven't a penny in my pocket.

Q Mr. President, one of the main groups that suffers from or is in danger of suffering from the fifth column talk is the group of refugees in this country. I know, in working with church groups who are trying to place refugees, that recently the groups that

would naturally take and try to fit in refugees have been very much disturbed as to whether or not these refugees, driven out by injustice, were not likely to be fifth columnists. We were wondering if something could not be done from headquarters which would tend to allay the suspicions of aliens as such, particularly those who have come to this country as refugees.

THE PRESIDENT: Well, we are trying to be just as fair on that proposition as we can. Luckily, the refugees have got interested in them a good many private organizations. Now, it is up to those private organizations to see to it that no discrimination is shown to the refugees. Now, of course, the refugee has got to be checked because, unfortunately, among the refugees there are some spies, as has been found in other countries. And not all of them are voluntary spies -- it is rather a horrible story but in some of the other countries that refugees out of Germany have gone to, especially Jewish refugees, they have found a number of definitely proven spies. It sounds like a horrible thing but, in most cases, the reason for that is this, that the refugee has left Germany and then has been told by the German Government, "You have got to conduct this particular spy work and if you don't make your reports regularly back to some definite agent in the country, you are going to -- we are frightfully sorry, but your old father and old mother will be taken out and shot." It has been spying under compulsion and it is an amazing story that we have rather fully. Of course it applies to a very, very small percentage of refugees coming out of Germany but it does apply and, therefore, it is something that we have to watch. Isn't it rather a horrible thing?

Q Mr. President, I was going to follow up with this C.O. (conscientious objector) question: One of the problems we have is whether the group they will have to come before, a tribunal or whatever they happen to be, is a sympathetic group, or what kind of approach they have to make -- whether it will be the War Department or the Justice Department that will handle the cases, or whether it will be under civilian control, like under the American Friends' Committee, or something like that?

THE PRESIDENT: We are going to try to keep all the existing machinery without putting in new machinery and, of course, the existing machinery is civilian machinery.

Q In your analysis of one of the reasons why cooperative efforts to prevent aggression failed, you mentioned specifically fear of war on the part of people everywhere that led them to fear the application of sanctions. I think there was also an element of fear caused by groups of people who did not want to halt agression. I think that reactionary forces played on the fears of people and led them to refrain. We are told that international growth of disorders results in growths of disorders at home.

The big problem for the future, and the problem that agitates young people more than anything else is, what hope -- I think it is a real problem -- what hope is there that even if the Allies do win, that even twenty years from today that the same thing won't happen? that we won't go through the same tragic story? Doesn't it affect the domestic organization of the country whenever we have nations in power? I do not know whether you can answer that question, but what possibilities are there for the future

which will keep this thing from happening all over again?

THE PRESIDENT: Well, again you are getting into a guessing field, but let's put it this way: Since -- well, the Napoleonic era -- practically there hasn't been any real serious, widespread aggression on the part of nations that call themselves democratic -- since about 1815. There have been minor episodes, yes, but no widespread military effort to dominate the world. I mean, that is history. That is 125 years.

On the other hand, there have been certain very definite efforts to expand the field of military aggression to very, very wide areas and very, very large numbers of human people on the part of non-democratic nations and, just on the doctrine of chances -- well, let us take a simple problem: Suppose in 1918 Canada passed into German control. Well, we would have a very difficult problem in our relationships with Canada today, twenty-two years later, than if we had an armed Canada under a more or less democratic form of government like ours. That is on the doctrine of history. I think that is the easiest way of putting it.

Q I agree with that, Mr. President, but let's take this assumption that the world, the people of the world entrusted you to write the next peace and you had to meet around a conference table with representatives of other nations to discuss the treaties of peace? How would America be effective in establishing democratic governments if that is the clue to future peace? I do not know that I am making my question clear --

THE PRESIDENT: (interposing) We have a pretty good idea of what we would seek. That is something. In other words, we have a program

that is no secret. It is the elimination -- I have put it that way on several occasions -- it is the elimination of four fears. Well, let us take them: first, the fear they have in a great many countries that they cannot worship God in their own way. That is another way of saying, "freedom of religion." In autocracies they do not have freedom of religion. That would be a condition of the peace.

Secondly, the fear of not being able to speak out, the fear of repression of the press, of news services, and in autocracies you have not got freedom of expression. Therefore, freedom of expression is one of the cardinal principles for peace.

Then you come to two other fears: first, the fear of arms and the only way to eliminate the fear of arms is to stop arms. That is something to work for and the country is working for those things. Whether we will have any success, God knows, but at least we are working for them and have got a program.

And the final thing is the fear of not being able to have normal economic and social relations with other nations. In other words, what we are after is freedom of commerce and freedom of culture, because the two go hand in hand.

There are four things, four fears we are trying to remove, four objectives we are trying to attain. That is something to think over, something to work for.

Now, we may not have any influence at all when it comes to making a peace at the end of this war. On the other hand, when we have a nation of 140 million people, with a fairly well understood program, it may have some influence on other nations of the

world.

Q But in Germany, in a sense, after the World War, those four fears were eliminated. There was democracy in Germany, freedom of religion. Germany was given an opportunity by other nations. I will qualify that: Germany did have some opportunity to get loans anyway from other nations. And yet, Germany went autocratic, Germany went fascist because of the inability of the economic system to function within Germany. Doesn't it seem there should be a fifth item, that of giving people economic security in all countries?

THE PRESIDENT: Yes, that is the fourth point I am making. Freedom of interchange of goods, of articles of commerce, and human beings -- culture.

Q Do you think the men who built up Hitler, if they should be around a conference table with you, would be the kind of men that would give that kind of freedom to their own people?

THE PRESIDENT: Not under present conditions. No, not for a minute.

Q I live in Pennsylvania, in a county where I am afraid the Republicans are going to think I am in the fifth column. (Laughter) The question I ask is, What do you think of making a statement to the Nation to allay this fear: We are living in a world of fear and when a statement on fifth columns comes from the President, it frightens them a great deal and it seems to me all the papers took it up. For example, the Ledger in Philadelphia is running an expose' -- they are not exposing anything but they are creating fear in the minds of people. Could you make a statement to stop this fear, which is a wastage of the --

THE PRESIDENT: (interposing) Of course I have said that, in effect,

on several occasions, it does depend on the individual case. If you are not guilty of anything, for God's sake, don't get scared. When people like the Ledger make all sorts of glittering statements, somebody should say publicly, "What are you talking about? Who are you talking about? Come down to brass tacks."

Q You spoke in your speech of the fifth column. That fanned the flame.

THE PRESIDENT: I spoke for a half hour and I had to cover fifty subjects in half an hour. I could not go into detail.

Q But it adds fuel to the fire -- the war hysteria.

THE PRESIDENT: You know, when I start one of those things I have, from different groups around the country, requests saying this, that or the other thing. This last Fireside Chat, if I had put in, talked about various requests made to me, I would have had to talk for three hours and a half.

Q If Hitler should win this war, there has been all kinds of talk about readjustments that this country would have to go through, the loss of foreign trade, and building up a tremendous armament machine. Now, has the Administration gone into that? Have you any ideas -- can you give us an idea of what sort of readjustment, reorientation, this country may have to go through if Hitler should win the war?

THE PRESIDENT: First of all, I have to ask you to consider yourself Hitler. Suppose you were a victorious Hitler, what would you do? I do not know him, never met him. I know all sorts of stories. I have heard the story that he wanted to go back and paint pictures -- that that is his one desire, to go back and paint pictures. He may do it. I don't know. It is anybody's guess. Or he might do like other successful conquerors; he might say, "I have got a third of

the world and I have fixed up relations with another third of the world, the Far East. Why should I stop? How about this American third?" I am not saying that is a probability, because it would be silly. I am saying it is a possibility, which is correct, and therefore, if it is a possibility, which it is, we have got to say to ourselves, "We have got to prepare against it."

And then we go back to Hitler's mind and say, "How is he going to do it if he adopts that thesis?" And we are going to say, "Well, one obvious thing would be to go down to the Argentine, where we have a large German population that has never assimilated with the Argentine people." They are not like our Germans, they have remained by themselves. They have over a million Italians down there.

He (Hitler) Would say to the Argentine Government, "Now I have a nice little trade bloc here. It is very nice. Do you want to join it?" (Argentine would say,) "No. What are the terms?" (Hitler would say,) "Well, you can't live in the Argentine unless you can export your beef and your corn and your wheat. You will all go broke. We will give you a quota and we will take so many tons of beef and take so many bushels of wheat and corn, and we will tell you where to send them. We will allocate them and you have got to sell them through the Germania Corporation at a charge of two per cent commission on it. And we will tell you where to send it. We don't like the way the Belgians are behaving; now, they can fend for themselves this year." So next year they don't like the Danes, so they will keep Argentine corn out of Denmark. It will be completely in the control of a little group.

"Well," says the Argentine, "how are you going to pay us?"

"Well, there is no such thing as gold in the world; we will pay you in steel rails." "Hell, we don't want steel rails." "Hell, you have got to take steel rails." "Well, there is no longer any independence when we do that." And then Germany, the Germania Corporation says to the Argentine, "Take it or leave it. By the way, we forgot, you cannot have planes or an army, except planes and an army and a navy that are run by German officers." Argentine says, "We cannot do that. We will lose our independence. We are Argentinians." The Germania Corporation will say, "Sorry, we can't take it. Sell your surplus products to the United States," knowing darned well that the United States has a surplus of beef and wheat and corn of its own.

Well, that is not infiltration; that is something very, very different. That is highjacking.

Q It seems to me we are all getting critical, talking about our American way of life, and we have had demonstrated clearly here tonight that democracy does not exist in the United States --

THE PRESIDENT: (interposing) That is some statement.

Q In fact, it does not -- the poll tax and such things as that -- we know in peacetimes and even in the best times it is not a fact. Well, it is going to be worse in the event of war. And the first thing is that there is much talk now -- the Dies Committee -- of un-American activities, Communists and fifth columns. Well, I would like to know who is going to define them, what they are and what is happening to them. I think the first indication of what is happening to the American people as a whole is this attack on Communists.

THE PRESIDENT: Well, I think the first definition to put in that class are those people who prefer to live under the Communist system of government instead of the American system.

Q Isn't that a democratic right?

THE PRESIDENT: Oh, yes.

Q Then why do we permit laws to be passed which keep such people off the W.P.A. rolls?

THE PRESIDENT: It is a democratic and, incidentally, it is a constitutional thing, but you have not got a chance in these times and you never will have, in my judgment, of establishing the Communist form of Government.

Q That is not the question.

THE PRESIDENT: I think it is sort of silly to waste time on it.

Q Isn't it against the Constitution, its provisions?

THE PRESIDENT: You can amend the Constitution any time you want.

Q Has it been amended?

THE PRESIDENT: You have a swell chance of doing it on that law.

Q On the question of civil liberties, we see in the Senate an amendment introduced by Senator Reynolds whom, by his associations, it has been established, many people consider to be one who is not particularly a friend of the American Communists. This amendment pertains to barring aliens, Communists and Nazi Bund members, from industry engaged in interstate commerce.

We see a sequel to this in the House where there was, not reported by the Committee but from the floor of the House, without discussion, accepted by the Committee, an amendment introduced to the Relief Act of the same kind. And I wish to speak particularly

about this as it would apply to people who are unemployed and who desire to remain members of an organization, such as the organization I am a member of. But first, let me say that both of these amendments will have a tendency to work a great hardship on people who may choose, at the present time, to disagree with the boss, whether on W.P.A. or on any other jobs. I think there is a great danger they may be immediately branded as subversive or fifth column elements because they disagree with the boss, and thus railroaded out of their jobs.

Now, let us deal with the Relief Act. It already has one clause which prohibits employment to anyone who advocates the overthrow of our Government. Secondly, there is a clause which, by the way, all members of the Workers' Alliance have taken, and in the Act it applies to supervisory and administrative personnel who are to say that "We hereby pledge to defend our Constitution and our country against all enemies, foreign or domestic."

It is our feeling -- I should say it is my feeling -- I speak as an individual here tonight -- that this kind of amendment in the Act should not be permitted to go through but, rather, this clause, pledge, or if it is already in the Act, should be substituted therefor and made mandatory for project workers, and it should say that any worker who takes this oath to defend our country against all enemies, foreign and domestic, including aliens, if you please, should have the right to work, because the right to life and the pursuit of happiness includes the right to work.

We feel that this clause is directly contrary to law, which provides for $2,000. fine or two years in prison or both as a

penalty for anyone who discriminates or disturbs anyone because of race, religion or politics, also another section which prohibits discrimination against anyone because of his support of any political campaign or the support of any political party.

And lastly, we feel that these amendments are all unconstitutional. I had a discussion a couple of days ago with Senator Thomas, Chairman of the Committee on Education, who concurred in that view.

In view of this and the danger of this, and the fact that this seems to have been thrust in here because of the war situation, we feel that that should not be permitted to get past your desk.

THE PRESIDENT: I think the Senator Reynolds' amendment is utterly stupid and the other amendment is wholly unnecessary, and I am doing my best to get them out in conference.

Q Mr. President, --

Q (interposing) Mr. President, --

THE PRESIDENT: (interposing) Who has not spoken? (Laughter)

Q Mr. President, I have come here tonight in order to ask one very simple and one very basic question and yet it touches rather deeply everything that was said here tonight. I want to go back a little bit, keeping in mind your warning, to the time you came into the Presidency, and it occurs to me as we are sitting here tonight that for a long time there we looked to President Roosevelt as a leader who, in the case of civil liberties, in the case of the rights of aliens, in the case of the right to work, in the case of expansion of opportunities for young people for jobs, for train-

ing and education, in the case of the housing program, in the case of the health program, was a fighter, was a man who did not offer to us the excuse that such a thing could not be got by the House, that there were forces in the Senate who would not listen to this or that proposal, but a man who carried the fight to the people and from the people he got the support which pushed these bills through the House and pushed them through the Senate.

Now, what has alarmed us and the reason we gather here tonight is that something has happened, something serious has happened, that this war has caused the President, has caused the members of his Cabinet to somehow forget this very important, this first line of defense, of social security, the peace and happiness of our people, and has definitely, and I think we may say very positively placed in a secondary position these things that we require, food and housing and clothing, and has placed in front of those things the needs for national defense, which we all grant -- we are all in unity, we grant these things, but we demand -- yes, I say we insist -- that first, the lines of defense, must come our homes, must come our training, must come our education. And we are becoming very highly suspicious that billions of dollars are forthcoming for rearmaments, guns, battleships, and yet millions of dollars are not forthcoming for a job-training program, are not forthcoming for a program of relief, are not forthcoming for a health program and a housing program.

And also we are very -- shall I say, are sick? -- yes, but at the same time we are a little bit angry that the President and the members of his Cabinet have not carried this fight once again

to the people. It is all right to say that the Congress is opposed but if the Senators and Representatives are opposed to the expansion of a public works program, et cetera, if the fight is carried to the people, they will force them to act. But they need your leadership, they need it badly because the people of America have been stampeded, stampeded by a war hysteria and, in some way, it appears the responsibility for that hysteria must be put here tonight.

When we in St. Louis heard one day the military experts of the Military Affairs Committee express the thought that it was militarily impossible for the United States to be invaded by air, and then went on to state these various reasons why heavy bombers cannot fly here or there --

THE PRESIDENT: (interposing) Whoever told you that?

Q I believe you will find those statements made in the Naval Affairs Committee. I mean statements showing just how far the bombers will --

THE PRESIDENT: (interposing) No. I guess the old preacher down in Shiloh Valley gave you that.

Q All right, the preacher down in Shiloh Valley gave --

THE PRESIDENT: (interposing) Young man, I think you are very sincere. Have you read Carl Sandburg's "Lincoln"?

Q No, sir.

THE PRESIDENT: I think the impression was that Lincoln was a pretty sad man because he could not do all he wanted to do at one time, and I think you will find examples where Lincoln had to compromise to gain a little something. He had to compromise to make a few

gains. Lincoln was one of those unfortunate people called a "politician" but he was a politician who was practical enough to get a great many things for this country. He was a sad man because he couldn't get it all at once. And nobody can. Maybe you would make a much better President than I have. Maybe you will, some day. If you ever sit here, you will learn that you cannot, just by shouting from the housetops, get what you want all the time.

MRS. ROOSEVELT: Isn't it true? I would like to elaborate on that a little because I think there is one thing they do not quite get, namely, they think of carrying a fight to the people as carrying it to people who will think as they do, whereas you think a bit in the terms of what you get as the opinion of the people through what Congress reports on as their backing at home and, therefore, you are bound to take that because the people have elected Congress.

THE PRESIDENT: Yes, and so often the individual Congressman or the Senator is way behind the people and the people have got the responsibility of bringing him up to date. I don't have to name any names. You know a lot of them. They are Congressmen and Senators who are way behind the people from their own districts.

Merely shouting from the housetops -- you cannot do it that way.

Q I am sorry I gave any impression such as that. But what I did say and what I maintain is that here tonight and for the past several months we have consistently allowed, contrary to the opinion of the majority of the people of this country, allowed the problem of national defense, the need for military armaments in terms of steel and guns --

THE PRESIDENT: (interposing) Do you know an interesting fact? It costs Government money and Government expenditures to give work to -- a large proportion of it gives work. In the first place, every thousand dollars we spend, we have to employ more people right in the Government to run, to supervise the expenditures. The fact is that this fiscal year of 1941, instead of all these curtailments, you are talking about, the Government is spending more money than it did last year or the year before, not counting the armaments program. That is a very interesting thing. I will give you an illustration:

We are spending quite a lot of money on the housing program, which will continue to be spent through next year, of last year's appropriation and this year's appropriation. I do not know whether I am going to get it (this year's appropriation) through or not. I have written letter after letter. I must have seen -- I must have had twenty visits, where I have brought Congressmen down, trying to get them to give me more money for the housing program. When I started off I asked, as you know, for a $600,000,000. increase in the housing program expenditures. Up to two weeks ago I did not expect to get one dollar. I have had conference after conference; I have written letter after letter and I hope now, but I am not sure, that I will get $300,000,000. Well, I suppose I spent a good part of twenty or thirty days talking to these people, "For God's sake give me all you can. If you can't give me $600,000,000., give me all you can." They started out with $150,000,000. I said, "No." I said, "That is ridiculous." I did the best trading I could. I said, "Give me $500,000,000."

They came up to $200,000,000. and I think now maybe I have got them up to $300,000,000. I don't know. I have done everything I humanly could. There is a practical illustration.

Q Mr. President, will the Administration protect the right of labor to organize and, if necessary, to strike in those industries which are vital to our national defense?

THE PRESIDENT: It depends entirely on the circumstances, and I will give you a darned good illustration: Up at Kearny the other day -- in New Jersey -- the contract had run out and they had negotiated another contract and the representative of the men had signed it. It was subject to ratification and they did a stupid thing. They called a ratification meeting for the evening of May thirtieth, and there was a group in that Kearny plant -- we all know about it; I mean it is not subject to question at all -- and that group went out in a perfectly deliberate effort to have a strike called. May thirtieth was a holiday and a good many of these people had had a great deal of beer to drink. We all know -- the C.I.O. told me. They were horribly upset that the day laborers had not got the same increase that the skilled or semi-skilled trades had got, and they went in lit to this meeting -- the most of them were just right on the crest of the wave -- and they howled ratification down.

Well, the thing was all straightened out a couple of days later and now it is all right. But, suppose it had not been? What did I have? I had a group of cruisers, destroyers and other Navy ships in there. Those ships have got to be built, strike or no strike. Now, that is the power of Government that has to be used.

Q Is the power of Government going to be used to compel employers to bargain in good faith with unions?

THE PRESIDENT: Absolutely. Now, this union had gone through the complete bargaining. The C.I.O. was completely satisfied. The employers were satisfied. But there were a lot of people that said, "We won't work; we won't back our leaders." Under those circumstances, if they had not gone back after their collective bargaining had come to a successful conclusion, well --

Q (interposing) Will employers, such as Bethlehem Steel, be required to bargain with their employees?

THE PRESIDENT: You bring any case that violates the law about collective bargaining right to me.

Q I think that question is going to be called to your attention by the C.I.O. because they are faced with that proposition. I know something about the Kearny plant and that dispute, and we had a similar case in an industry I represent in the Westinghouse plant in East Pittsburgh. There was a general agreement in the industry not to pay common labor above a certain amount and we found that the company was willing to give $300,000. increases to skilled labor rather than $60,000. to common labor because the $60,000. would apply to common labor and they had agreements with other corporations and that same agreement affected the Kearny plant. That is one reason why we had the difficulty in that area. I think we will have the same difficulty in other types of armament industry. The radio machine industry, composing a large part of the machine industry, is faced with that problem. We took steps several months ago to protect that situation and we had great

difficulty, some calling us dictators and others called us irresponsible. Of course that is part of our problem.

The question I would like to put is one I face as chairman of the C.I.O. Committee. We asked the Government to call a conference of the economic forces -- employers, labor, agricultural groups and others, and have the conferences called by the Government and have subcommittees established, subcommittees established which would deal with the major questions, which would represent these factors, and they would take up the principal question of attaining full employment. The C.I.O. believes in proper defense but I believe it is their opinion that proper defense, the best defense today, is full employment where everyone would have a stake in our democratic institution.

I cannot see why the Administration has not called such a conference to work out the reasons why we do not have full employment in this country.

THE PRESIDENT: Because there are two simple things: In the first place, that conference has been going on every day for seven years -- that same thing. In the second place, if you had them in here, you would have a beautiful lot of words and, so far as I can tell you, you would have no permanent solution. You can make a little gain here and there but you cannot get, from a conference of that kind, a permanent plan that you can get anybody to agree to. It just won't work. Practical people will tell you that it is beautiful window dressing but it is mostly window dressing. We are engaged in that every day that goes by.

Q I am afraid that we are not engaged in it in the sense -- at least

the proposal -- as it was intended and that was that the leaders of industry, labor, finance, and the leaders of what groups we have organized under the agricultural workers, that they should be called into conference and the problem placed before them and then broken down into subcommittees. One committee would have before it the question of foreign trade, another compensation, another labor legislation, and we would see whether or not some of the fears that we have and employers have about certain legislation -- this is real, the fears are real. I have participated in a lot of conferences with employers and I find we are in almost complete agreement on a great number of questions. You have a great number of leaders in the electrical industry and we have a lot of discussions and I doubt if we can find a point of difference on many questions. I think if that matter was placed before the country in that way, with the leaders participating, I think we can have greater national unity than otherwise. I do not think it can be done by sacrificing the confidence of the masses of the people by saving the confidence of a few.

Q Coming back to the question you cited before about apples and pears, that you could not add them together, it seems to me it is a question not so much of apples and pears but of asking a person whether he prefers to starve or freeze to death. I think it is essential we neither starve nor freeze. If it is a question of concentrating on national defense, if national defense is the one and only thing to absorb our attention, we are, perhaps, not going to starve but freeze to death because national defense is being used --

THE PRESIDENT: (interposing) You are dead right.

Q -- not only for the reactionary influence in Congress, but in private philanthrophy and social service and all over there is a dominant retrenchment going on which is curtailing services and curtailing labor and employment. You cannot go to young people and say to them, "Well, we have to concentrate on national defense and therefore we cannot do anything about these other things. Perhaps in five years or ten years you will get a job, or perhaps you will have an opportunity to go to school or develop yourself." Before those five or ten years go by, those people will freeze to death.

What are we going to do to answer them? We do not want to say, "No guns, give us schools!" We say, "Give us guns and airplane production but we have to have the others too."

THE PRESIDENT: You want the apples and pears both?

Q That is right.

THE PRESIDENT: That is right; I agree with you.

MRS. ROOSEVELT: What they ask is, "What can they do?"

THE PRESIDENT: The only thing to do is to keep on demanding the apples and the pears.

Q Young people whose voices are not very effective in a lot of places -- we are told that the pears are important and that we cannot have the apples.

THE PRESIDENT: They are both equally important and you can say I said so. Here is one trouble in this particular period we are going through. You have got to realize it existed long before there was any question about defense or war. It is a curious thing that a great many social organizations, and I think it is true of charitable organizations, that they found a certain lack of response in raising

money to carry on their work because a lot of people, who have money or some money to give, sort of got the idea that this radical Government down in Washington was going to do it all and that they would not have to do it. Have you run up against that? I think that really is the fact. Now, that has nothing to do with defense. It was the idea that the Government had taken over a lot of functions that had been previously handled through private charity and people used it as a defense, if not an excuse, not to support the charitable institutions of their own community. And it has been harder, since the Government stepped in to do these things in the last seven years, it has been harder for the private organizations to carry on.

Q I want to ask you a question: There was a law passed in 1916 that stated that in the event a state of war existed or a state of imminence of war, a National Defense Council would be set up. I would like to know what is the imminence of war that exists today that necessitated the setting up of the National Defense Council of the United States today?

THE PRESIDENT: Because you cannot tell what some people are going to do next. That is it and that is all.

Q The question of apples and pears brings something to my mind and it is this: Somebody formulated the same thing in a different way by saying that Congress had the choice of deciding whether or not they should feed and clothe the American people or defend them, and they decided to defend them.

THE PRESIDENT: I do not think that is a fair statement at all because you are implying they abandoned everything that has been done.

Q Not that Congress has abandoned but there are indications which point to the fact that things are being abandoned, the social security, the appropriations to W.P.A. --

THE PRESIDENT: (interposing) The W.P.A. is going to be as much as it was last year and, I hope, more. It is not going to be lessened from the present fiscal year. The social security program has not been weakened -- it is going ahead.

Q The health Act has been abandoned.

THE PRESIDENT: But the present program has not been weakened at all. Now, we have got to expand social security. There are only 38 million people who come under the old-age at the present time and they are nearly all old workers. Now, we have 90 million more people who do not come under the old-age pension. We have got to find means to reach them. We have not slid back from the gains we have made.

Q We are certainly not going forward as fast as we should.

THE PRESIDENT: I agree with it. But that is a different thing. I am perfectly willing to say that we are going forward this year or last year, even if it is not as fast as we ought.

Q The N.L.R.B. (National Labor Relations Board) has slipped back in the sense that the appropriation has so curtailed their staff that they have been --

THE PRESIDENT: (interposing) We will have to get a deficiency appropriation on it. There is more than one way of skinning a cat.

Q After the experiences of the last war, in the last development of the armaments program in this country, many people were gladdened by your statement that there would be no millionaires in the

present armament program. We wonder if you could give us any intimation of what has been done to implement that statement?

THE PRESIDENT: I have recommended to the Committees that if they can put on this present tax bill an excess profits tax, it ought to be done now. I hope too, if it can be done at this session, that the provisions of the income tax laws will be further tightened so as to prevent a new crop of millionaires.

Q Could millionaires come into being within the existing tax law?

THE PRESIDENT: What?

Q Could millionaires be made within the existing tax law?

THE PRESIDENT: Not if they put an excess profits tax on. Pretty hard -- pretty hard.

Q Am I correct in stating that the Treasury has recommended a tax program that will increase most of the indirect taxes a flat 10 per cent?

THE PRESIDENT: No, not at all.

Q Where did that statement come from? I mean because --

THE PRESIDENT: (interposing) I do not know.

Q I mean because the general opinion is that the general program is an increase in liquor taxes and cigarette taxes and 10 per cent of income taxes.

THE PRESIDENT: No, that happens to be the Senate Finance Committee that is recommending that.

Q Is the Administration going to recommend a tax program?

THE PRESIDENT: You know the way that thing works out. We tried two or three years ago to get a four-way tax bill and we got absolutely nowhere. The Committees come back to the Treasury and say, "We

are interested in jacking up the cigarette tax or the liquor tax. What will it bring in?" Of course we have to give the figures. We have recommended none of those things.

Q In 1933 there was an emergency in the banking system and the Administration used that to institute all kinds of national reforms in the banking system. It would appear there is that opportunity now, as far as the fiscal system is concerned.

THE PRESIDENT: I thought so until ten days ago but I do not think so now.

Q You do not think that will pass?

THE PRESIDENT: No. I think you are going to have a tax bill that will not be a particularly good bill. But it is the best I can get.

I have got to run along; the Secretary of State is waiting to telephone me. I don't know about what.

Q Recently the so-called imaginary line of the Budget debt limit of 45 billion dollars was passed, overcome, and I think the record of public spending indicates that as soon as public spending is decreased there is, naturally, a lowering of the standard of living here. I wonder if you foresee a time when there will be a possibility of stopping public spending, or do you think it is not necessary to stop it, or if it is forced to stop, what alternative there is?

THE PRESIDENT: You will find the answer if you will read several Messages of mine. It is figured out. Mind you, anybody's figure is just as good as anybody else's as long as it is sincerely and honestly done. The people connected with the Administration have held for three or four years that if the national income as a whole can be brought up to between 80 and 90 billion dollars, from between

60 and 70 billion dollars, where it is now, in other words, raised that amount, that it will give substantially a great deal more employment at that national income and that, by the same token, the Government expenditures entering into this total picture of 80 or 90 billions will be balanced because of an 80 or 90-billion dollar national income per year. The taxes that come into the Treasury of course will be very greatly increased. So, therefore, we get a balanced Budget. Now, that is the theory and it is about all one can say. It is about the simplest theory I know of, but it has not been accepted by a large number of people in the Congress and, until it is accepted, we are going to continue to spend and will have to spend more money out of the national Treasury.

Q The question that worries me is the following: In Washington we have been working very closely with young people, the 16-year old group, making a survey and endeavoring to spot youngsters. We find that when you reach the age of 16 in Washington you are automatically thrown off the relief rolls because you are considered physically able to take care of yourself and, if you are 16, you are not eligible for relief. There is the C.C.C. and the N.Y.A. but there are many more applicants for them than there are positions and, consequently, we have a lot of young people for whom there is absolutely nothing. And the question that it seems to me should be raised is that if the Government of the United States can find ways and means to raise money for defense, to spend money for armaments, but can't find ways and means to give opportunities to young people, what is there for me in the democratic way of life? I think that is one of the most dangerous things that face

us today. I think it would be tremendously easy to build a youth movement with these people on the basis of no opportunities for these people and, very frankly, I could not answer a young person who asked me that question because I do not think there is any answer because, in Washington, we have a very serious situation in that, politically, we have no rights. There isn't a thing we can do.

THE PRESIDENT: I am glad you brought up that example. That is a thing that ought to be stopped -- these age groups of 16 to 18. Something ought to be done about it. It is the first time I have heard of it. Harry (Mr. Hopkins) will make a note of it and that is all I can tell you at this time. We will find out about it.

Harry, do you want to come over here? Because I have got to telephone to the Secretary of State. I am awfully sorry. Harry will answer any more questions you have in mind.

It has been a really grand evening and I am glad to meet all of you. I have had a grand time and I hope I have done something to clarify questions in your mind and to point out why we have to keep our feet on the ground and do the best we can if we believe in our system of Government, and I believe everybody in this room does.

Good night. (Applause)

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Q Are you ready to answer questions?

MR. HOPKINS: First, we are going to have some beer. (Laughter)

I think any questions you ask me would be a terrible anti-

climax to what you have been going through the last couple of hours.

Q I would like to ask a question about the N.Y.A. and the kind of project it is going to expand into?

MR. HOPKINS: Defense projects for this defense work -- military defense, naval defense -- so that if a boy is going to be called into the Army or Navy he could be moved into the Army and Navy quicker and into industry quicker in the event of war. That is what it is going to be.

Q In this auxiliary defense program, how many people of the estimated 4 to 5 million young people now out of work will this take up?

MR. HOPKINS: I think probably another million. Are you going to ask me now if I think that is adequate? I can give you the answer -- the answer is, "No."

Q Is there going to be a continued fight, then, for an expansion of N.Y.A., such as through the American Youth --

MR. HOPKINS: I do not think you can put it by the N.Y.A. specifically. I do not think that is -- the answer might be "No" if you talked about N.Y.A. particularly. If you talk about the question of opportunities for young people, for the unemployed, I think the answer might be something else. I think the agency is unimportant. The problem is important.

Q I just want to say that our problem has been, for a decade, of dealing with young people and of trying to give them some help about this problem of unemployment and any information you can give us --

MR. HOPKINS: (interposing) You know what is being done just as well as I do.

Q You suggested there were some other things being done?

MR. HOPKINS: There are some things planned to be done and there are things that are going to be before Congress in the immediate future. But you know what is being done probably a good deal better than I do.

Q I would like to pursue the question I raised before: There has been a great deal of argument about not being able to find people for skilled trades in terms of our President's program and I think if one takes a trip, as many of us take, between here and New York City, on the railroad, one finds a thousand or more plants where those in skilled trades, 3 million or more, earn their living. I think the C.I.O. and the A.F. of L. ought to be cognizant of this too, that there are a great many people who would like to be skilled individuals. There are a great many individuals who are not Grover Bergdolls and not unwilling to do their bit, as the President spoke of, and yet there is an attempt, for example, on the part of the Navy Department to keep out those individuals despite their need. It is not a question of giving those individuals a chance -- it appears that the Negroes have to fight to get into the Navy in order to die for their country and so forth.

Now, my question is this: What can the Administration do to assure the opportunity of fulfilling the obligations that the individual has to his country and to his people? And second, Can the Administration or will the Administration desire to do it, to say that the Negro is acceptable in all these activities? The best example is here in the City of Washington where $2,000,000,000. is appropriated for an armory which the Negro will not be permitted

to use, or it is not to be opened to Negroes, according to General Cox.

We ought to get beyond the stage of platitudinous terms and say something concrete and definite about the Negro.

MR. HOPKINS: You are making a speech and now you want me to make one. Well, I have had this discussion many times in the last ten years, men and women of your race who have made exactly the same statement with just a little shading in the words. And I think you have made this statement many, many times because it sounds like it.

I do not want to, by any implication, seem unsympathetic with what you have said. In the first place, nobody knows better than you what this Administration has done for Negroes in the last seven years -- nobody. I am not going to recite those things because I know you know them just as well as I do.

Now, what you get down to is this: that you have not got everything you want and ought to have and deserve and which, in a democracy, you think you are entitled to. I know that. You are not telling me anything new. I know there are Jim Crow cars in America; I know you have difficulty in becoming Army officers or privates; I know you have problems in housing; I can repeat, just as well as you can, the whole list from beginning to end. And simply because this Administration has not been able to expedite all the things for Negroes that ought to be done in America and will be done some day, does not mean for a moment that this Administration does not understand them, is not sympathetic with them.

And you know perfectly well, too, why some of these things cannot be done. One does not need to be naive about these things. You know perfectly well some of the problems here. If you and I were talking together, alone, you would bring them out just as well as I do because you know them just as well as I do. I know there are certain great injustices with respect to Negroes. Anyone who knows anything about the problem knows it.

Some of us happen to be in administrative offices for a time -- in power -- and then you fellows say, "If we believe in these things, why don't we get them?" Well, in a democracy it does not work that way. You do not get everything like that. And if you could just project that negro problem - - - - and, of course, the real one is unemployment. Everything we talk about, I don't care what it is, gets back to that. I feel very strongly that the whole difficulty with this democracy is that everybody should be working instead of talking about a million youths and 500,000 Negroes. Of course the whole population should be put to work. Hitler puts them to work; the whole kit and caboodle of them are working for him and everyone in Germany is at work and I could say that it provides great unity and great strength and there is nothing I would like to do better. You ask us why we don't do it. Did you ever bump up against this Democratic Congress in a realistic way in Congress? We never have had enough money for relief, yet this Administration has spent more money for relief and will spend more money this year than all the administrations before in the history of the United States -- just in one year. I know there has never been enough money for relief, there has never been enough

money for the Youth Administration, there has never been enough money for anyone, housing or anything else, but I know this Nation never had any relief, I know the Government of the United States never put a soul on the payroll in the whole 150 years of its history prior to this period. I know no young person was ever put to work before this Administration came in here, and we have got 6 or 7 hundred thousand of them today that are getting benefits every month.

Now, I am quite frank to say that I get irritated about this sometimes because I get the assumption from you people that you are the only people that think anything about trade unions and C.I.O. and industrial unions. Who put the Wages and Hours Act on the statute books? Who did that? Who really went to town and bat for labor? It is this Administration went to bat for labor and I think this Administration is going to continue going to bat for labor.

Now, you know the headaches we have had. You know this political system. You might be a Democrat but that does not mean anything. It is how you feel and what you believe in.

Now, you can jump on this Administration and you can point to people who do not believe in organization of labor and you can point to people who do not believe in the Youth Administration. But my contention is that a good fight has been made.

Now, I agree with everything you say when you talk about this double-ended defense. It is perfectly absurd to have a powerful military defense and not have a strong civil defense. People ought to be working. People ought to live in decent houses.

Now, this Administration -- certainly the President -- certainly most of the people under him, especially those people under him who have these particular jobs in hand, are trying to handle this. If you fellows knew the number of headaches and heartaches that go on in this town, you would know about the difficulties of getting what you want to get. You know that this business is not very simple. It is awfully easy to sit and talk but it is not so easy if you have the responsibility yourself for these jobs.

Now, there may be some in this room who could have got more money for relief in the last seven years than I did. I have no doubt you could have. But remember one thing: We made every effort to get every nickel we thought we could and we did not take "No" easily. I never felt we got enough and I know perfectly well we have not got enough today.

(Several people in the audience endeavored to interject questions.)

Now, wait a minute. I promised to make this speech and this is the last speech you are going to get.

This Administration knows and believes that the defense of this country centers primarily in the well-being of its people. Now, if we do not get everything, you can bet your bottom dollar that we are just as unhappy about it as you are, just exactly as unhappy as anybody in this room, and just as understanding as you are of what goes on in the homes of the American people who have not got anything. Just as much as anybody in this room.

Now, in a month's time the whole temper of the American people, it seems to me, has changed. The American people now, I think,

have made up their minds that we are going to take care of ourselves in a tough military way. And I think it is important that every one of you -- it don't make me mad and I take everything you say at face value, that you believe in this defense program but you want to make darned sure that this third of the population does not get kicked around. I think we should take the two together. I think the other program should move fast just because we are in danger. The men out of work -- somebody asked about the fifth column -- the fellow out of work, broke, busted, who hasn't got anything, potentially, it seems to me, potentially he could be a fifth columnist.

Now, I am going to shut up right now.

Q I want to be excused, I have a reservation on the plane.

MR. HOPKINS: That is quite all right.

Q What is the Administration doing to get these measures forward? It was the people of the United States that put tremendous pressure on the Administration. It was the Administration that gave the leadership. It was the people of the United States that did this because the Administration was acting in defense of their needs. Now, today, that partnership no longer exists. We are standing still, as the President himself says. We believe that we do not defend democracy unless we keep moving forward.

I would like to ask you this brief question: Which way is America going if plans are already set up so that two million troops can be sent from the port of New York?

MR. HOPKINS: I do not understand your question.

Q The Port Authority of New York --

MR. HOPKINS: (interposing) You have got some information that I have not got.

Q It was in the newspapers about a month ago.

MR. HOPKINS: You have got some information that I haven't got.

MRS. ROOSEVELT: It was also in the newspapers that there was a full draft system and draft blanks printed and yet I cannot find that there is any such blank anywhere in the Government, nor any such plan. I have been unable to find anything of that kind anywhere.

Q May I ask a simple question? Dorothy Thompson advocated that we declare war today. What is your opinion?

MR. HOPKINS: I would not declare war.

Q Under what conditions would you declare war?

MR. HOPKINS: Oh, well, now --

MRS. ROOSEVELT: You cannot declare war very well. You have to wait until Congress declares it.

Q This is merely a point of information. It seems in the last war the Defense Council was headed by a group of prominent men and, as you all know, they were very busy. It is probably the lesser men who carried out the work. The gentlemen on the Commission supervised it or, it would seem from the experience then, they did not supervise it at all. What are you doing now to prevent the mistakes that were made then?

MR. HOPKINS: Well, they certainly have combed over all the mistakes they made last time in the hope they won't be made again. I have no doubt some mistakes will be made but I think every effort is going to be made to avoid that.

Q I was very much interested in your speech because I felt there was

in it a certain implied criticism -- perhaps not implied -- of the groups who push out beyond the point where the Administration is. Now, part of my work with the Y.W.C.A. is on the economic section of our problem and I find a very strong feeling in some quarters that the President and the whole Administration is up against a very critical and tough situation; therefore, any effort to say what we have said this evening in terms of the emphasis upon the work that must be done is blocking and is adding to the problem which the Administration is facing.

MR. HOPKINS: I can only say that I do not think that at all. I think some of the most useful things that have been done around this town in the last two weeks have been by people, principally individuals, who push awfully hard on some proposal to move the thing substantially ahead. I think, if I may be completely frank with you, I think if I showed any feeling of being disturbed about it, it is because of the impression I got that you implied that we do not see the needs of this Nation as well as you do.

Q My question is, What is the best way to push, in the given political realities, to push for the kind of things you want?

MR. HOPKINS: If you knew the answer to that you would know the answer to democracy almost, if you knew how to get home with all the things you want done. I do not know the answer. I can advise you on some things but I would rather not do it right now.

Q Certainly one way would be to push a little further than the progressive people in the party in order to counteract the effect of the group that are wanting to draw back.

MR. HOPKINS: I certainly see no difficulty about that. Quite the con-

trary.

Q I have two questions on health.

MR. HOPKINS: Yes, I have been sick. (Laughter)

Q There is a lot of feeling circulating in medical groups that the great strides that were begun with the Educational Committee on Health have been halted. A great deal was done to start to life one of the great social needs of our country, an adequate health program. I think it ranks before the others. Since the war hysteria has begun and in the very recent past, the Wagner Health Act has been forgotten, the civilian program has been curtailed, money for it has been withdrawn. In fact, one of the people in the Commonwealth Fund, which has a great deal to do with the program, has stated that funds are being withdrawn so rapidly that all of the advances gained are sliding back.

MR. HOPKINS: I will give you my frank opinion about that one. I do not think it had any public opinion behind it. I don't think it had a real wallop or punch on the Hill. Never anything like that heard about unemployment insurance or old-age pensions. I think some men, some of them a group of House members and others who were genuinely interested, got a resolution passed by a lot of organizations. That helped and we got newspaper publicity, but I do not think that thing had the kind of wallop that could put it through Congress, and there is no bill that I would rather -- that is not true, there are other bills -- but I would like to see that go through. I have talked to some people; they sit around and pass resolutions about the Health Bill and it seems to me to be a perfect waste of time. There are about fifteen people in

Congress, and that is all, who have been approached to pass that Health Bill. It is my private opinion that that thing never had a real public wallop behind it.

MRS. ROOSEVELT: Harry (Mr. Hopkins), I would like to say one thing which I sense from this meeting tonight is not really in the minds of most of the people here, and that is that anything that you want to get done in a democracy has got to be wanted by the majority of the people and, if you believe in democracy, you have got to work for that majority and you have got to be willing to wait for it. You see? Now, I sense that you feel very much the way I have often felt in my life. "My gosh, I am tired of waiting!" And yet, if you believe in democracy, you have to wait and you have to work for that majority, and it goes just as much for the Health Bill. I think it is one of the most important things we have but you won't get it until you get from your people back home, back of that Congressman, a demand for the Health Bill.

Now, until you can get that, until you can do that -- I have done organization work practically all my life and I know that until you organize a thing down to the precincts and get a real demand from there up, there is not that majority demand for the thing and you cannot get it.

Q It just seems to me that some of the people -- perhaps you are right about not having a wallop. On the other hand, I do not believe that American people themselves do not believe about health. That is one of the inadequacies. That it is not organized in small groups, is true. But it is because people, mostly closely associated with the medical societies, have been people that have

strangled the growth.

It is one of the principles and policies of the Administration to promote the health of the people and in a situation of this sort I think they can well find a widespread appeal amongst the people because I think we all feel strongly about this. But they are blocked in many ways from expressing it and any leadership would effect a tremendous following because there are very few people, because the majority of people in the country do not get medical care and there would be very few people against it.

The other point I wanted to bring up was the request that many people have been making, namely, that war hysteria is sweeping our country and there is a fear that many things we know and love in democracy will go with it, that under the influence of war hysteria many of the things that happened in the last war will recur. There isn't anybody who would not lay down their lives for their country. But everyone is worried that the machinery and everything else may be twisted by the people who got us into the last war. It is reassurance that the American people need, the reassurance that we will never leave our shores.

Q There have been several statements made tonight to which I should like to make a contradictory statement. The statement was made by several people that the partnership between the Administration and the people is gone, particularly on the defense program. I want to say I think that partnership is not gone, and I want to say that I think that large masses of young people are with the Administration on the defense program and will continue to fight for the other defense program.

MR. HOPKINS: I want to say this: I know if any one of us were talking individually with you people -- because I know many of you -- you know perfectly well and I know you would say, "You have done a lot of good things but you have not done enough." Tonight you have not had time to tell us about the good things we have done and therefore you tell us only about the things we have not done. I do not want to appear irritated because I know that you know that as well as I do.

Q Mr. Secretary --

MR. HOPKINS: (interposing) This business of being called "Mr. Secretary" --

Q (interposing) Is that the right term?

MR. HOPKINS: That is the right term. You are supposed to call me "Mr. Secretary." (Laughter)

Q I have been attending a meeting in the last few days, a meeting by Catholics, Protestants and Jews on unemployment and there has been a sifting out of various viewpoints, quite a wide variety. Certain things have become apparent. First of all was the unanimous agreement that defense is not the only element, that after the war we would have more serious repercussions than we have had at the beginning. It is ruled out. Consequently, national defense, as it has been remarked here tonight, is not the answer.

Then there is the question of where the money is coming from. As it is, it is certainly a stopgap. That does not solve the problem of unemployment fundamentally either.

The only way that seems open is to increase consumers' consumption -- let the consumers begin consuming -- and that can only

be done by increasing production, and the two work together hand in hand, and they can only be brought together either by lowering the cost of production or raising the consumer dollar. We have been talking about raising consumers' wages but not about raising the production. And one of the solutions brought out at this particular meeting that got more support than any other -- and I want to ask you if the Federal Government is doing any planning along that line at all -- is the term of "incentive taxation." Has any thought been given to incentive taxation?

MR. HOPKINS: Yes, there has.

Q Any hope yet?

MR. HOPKINS: Of course my personal belief is that you should not increase taxes when you have 10 million unemployed, that you do not take money away from the consumer at the time you want the consumer to be spending.

In the first place, the national income is going up this year, under any circumstances, and the taxes will go up close to a billion dollars, even if you do not do anything with taxes. I think the national income is going to continue to go up. At some point of the game we are going to tax it and you will know that it is taxed. A Cabinet Officer of the United States gets $15,000. a year and last year I paid $1400. and six in indirect taxes. That is $2,000. Suppose I paid $4,000.? That would be nothing. In other words, we are taking in 6 or 7 billion dollars and if the thing gets above that and you have got to have money to do this job, you can raise 15 billion dollars if you want to. Personally, I think it would be bad economics to raise the tax rate

and that is why I am glad Congress is not shooting at it in a big way. All the Budget balancers are out of town. There aren't any more.

Q Also exemption tax for married couples?

MR. HOPKINS: I personally don't think much of that either. I do not think this tax thing is very important.

Q I think a lot of people in this room tonight have underestimated the ability of the President of the United States. I myself have the greatest respect for his ability because no man in the country can swing public opinion as he has and as he will in the future. For that reason, insisting also on your frankness, I want to ask your opinion about this problem which bothers me:

We have this problem of the poll tax and we want the people in Dutchess County to know what is going on in the South. They do not understand there are millions of people in the South who do not vote. Well, it is my opinion that the President could convince the people in Dutchess County and make them come out against the poll tax. I think that same thing is true of the apples and pears problem. I think that there is an equation and that they are both fruit. We do not believe there has been enough done in the way of social legislation although I think the Administration has done a great deal. The question is not alone of holding and of not sliding back, but of how we are going to make progress in the future.

The President indicated that he felt this country was a one-horse show, that you could take only one problem at a time and could not work on both. I do not see it that way because we have

never had in this country as easy a way of getting social legislation. There is always money for national defense and I think the way we can create a demand for that (social legislation) is the way we created a certain demand for the present defense program. The President certainly laid that thing down; he explained the need, explained his proposals in concrete terms and lined up a tremendous amount of public opinion. The 85 per cent of the newspapers which opposed his election in 1936 joined with the remaining 15 per cent in complete support of that program and I think that was a magnificent piece of work that the President did in lining up the Nation's public opinion.

I think it would be a tremendous help, not only to one-third of the Nation but -- what I think is inevitable -- the majority of the population that wants the advance of social legislation, if they got the same kind of leadership, not only on the defense question but on social legislation. I think the President could be of tremendous help, of great help, in lining up the country. Of course it has been said that Congress won't stand for it, but I would like to ask your opinion on this:

MR. HOPKINS: (interjecting) I will give it to you.

Q I said that we could always, in this country, find the money for anything that looks like a battleship or a gun and only with difficulty find taxes for things that look like houses.

MR. HOPKINS: I have got an opinion about the general point you make and it seems to me that what goes on in your mind is this: Here are the problems about which you feel deeply. Let us say it is the poll tax or the Housing Bill or the Health Bill or the Vinson

Bill, which you think is pretty bad and on which I agree.

Now, what you say is that if you were sitting in the President's chair and with this situation now, the way it is right today in the world and the stuff on the pages of the newspapers, with the things which are going on and being discussed in every home in America and every time a few people get together -- if you were the President you would take up these various things. Each of you feels strongly -- you may say about the problem of unemployment and one of you feels very strongly about the poll tax and another may feel very strongly about labor legislation and you, each of you have your emphasis which you put on the social program and, in effect, what you say is that if you were here, if you were the President, you, today, would go out and project a great public campaign to get public support behind one or the other of the things you are talking about, or all of them.

Now, I think the real problem there is this: After all this man is President. He would agree with most of the things you people agree on. Not all of them. I am sure he would not have a meeting of minds with you about all things.

But, really, what, in the last analysis, you are doing with him is saying to him, "Now, I think you are making a great mistake. You do not sense what public opinion is. You could move this thing this way, if you wanted to." And, furthermore, it seems to me you go a little further and say he is making a serious mistake on broad defense fronts, including both the apples and the pears.

Now, after all, that gets down to a matter of opinion. It

is not a factual thing, it is an opinion thing. That is your opinion. Now, his opinion may be different as to where public opinion could be taken. After all, anybody who has watched him in the last seven years knows he is a pretty good judge of public opinion and where it is. Now, I think you got into a long and pretty needless discussion of your point.

MRS. ROOSEVELT: Harry (Mr. Hopkins), you could illustrate, give them the fact that a year and a half, two years ago, he said every single thing on defense that he said aloud today to individual members of Congress and gave the very same reasons.

It is not what he wants -- and the reason that he can get them today is that circumstances hit the people of the United States in the head. He saw all these things and I think you could pick out members of Congress -- am I telling the truth?

MR. HOPKINS: Right.

MRS. ROOSEVELT: -- to whom he said, "We should do thus and so now." And they said, "Oh, no; oh, no, you are dreaming, Mr. President. No, those things are not ever going to happen. No, Mr. President. Such a thing is ridiculous to contemplate."

Today, they are all running to him because the circumstances, the life of the world, have hit them in the face. And they are all saying, "Oh, Mr. President, yes, we are ready to do it." But they were not ready two years ago, when he could not get it done. You see the difference?

It is the same thing about the other thing. The day that the other thing hits the people of the United States hard enough, they will want it. That is the reason, in 1933, you got a lot of other

things done. That is the reason that, before that, you could not get it done. There were too many people who were comfortable and too few who were pushed. In 1933, too many people got uncomfortable and you could get a lot of things done.

I have heard it said again and again that we only progress by coming up against a bad time when somebody says -- like what has happened -- "We must do something about it right straight off." And I am afraid that, looking at people carefully, that is exactly what happens. We don't realize a thing until it gets so bad it hits us right in the face. That is the reason why we move so slowly.

MR. HOPKINS: Don't you people ever want to go home? Mrs. Roosevelt, do you want to say a word before you go?

MRS. ROOSEVELT: I just want to get a train and that is the reason I have to go.

Q I think we want to express our thanks to Mrs. Roosevelt for this opportunity.

MRS. ROOSEVELT: The President was very much interested by you or he never would have stayed so long. You made your own opportunity.

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CONFIDENTIAL
Press Conference #650,
Executive Offices of the White House,
June 7, 1940, 10.45 A.M.

Q Good morning, sir.

THE PRESIDENT: Good morning.

Q How about Charlottesville -- will you be able to get down to the Commencement?

THE PRESIDENT: No.

Q (Mr. Godwin) Did you see this in the New Yorker? (Handing to the President a slip of paper on which was written, "Hell hath no fury like Hugh Johnson scorned.")

THE PRESIDENT: (Laughing) I love that. It rather implies that he is a superannuated female. (Laughter)

My, a lot of people coming in today.

Q Biggest one in months. They are all the way up to the front door.

Q You have got to deliver this morning.

THE PRESIDENT: I have got quite a lot of things.

MR. DONALDSON: All in.

THE PRESIDENT: Well, I have a number of things. I will start with the least important first. I am not going to Hyde Park over the week end and I have no other plans. I am on an hour-to-hour basis. I am going to try to get down to Charlottesville on Monday but that is still indefinite.

No. 2, on the meeting of the Advisory Committee of the Council of National Defense yesterday, I had -- I was given a preliminary report by Mr. Stettinius on the entire strategic materiel matter. Necessary plans are progressing rapidly and on some of

the things there has been a lot of hysteria on, like rubber and tin and -- what was the other thing? -- manganese, the situation is well in hand.

Then No. 2 (No. 3), I asked the War and Navy Departments to consult the Production Division, in charge of Mr. Knudsen, in regard to the placement of all important contracts, in order that such contracts may be placed to the best advantage from the production standpoint and be properly expedited.

And No. 3 (No. 4), I appointed Mr. Stettinius to a committee, chairman of a committee, to study and make recommendations to me concerning the general problem of purchases to be made by the Federal Government, looking to the desirability of further consolidating responsibility and authority for such purchases through the Procurement Division of the Treasury Department. I have asked the Secretary of War to designate General Harris, C. T. Harris, to serve on that committee, the Secretary of the Navy to designate Admiral Spear, and the Postmaster General and the Secretary of the Treasury to designate Mr. Nelson, Mr. Donald Nelson, to serve with Mr. Stettinius. And I am asking for a report and recommendations on this consolidation of purchases and, as far as possible, to make that report as soon as they can.

Well, I think that is about all on that topic of the Council. They are getting on extremely well.

Then comes the question you all asked about, the disposition of certain Army and Navy materiel. Now, I have an opinion from the Attorney General that Steve (Mr. Early) will have -- it has not been copied yet -- and he will give it to you. I will read

it to you because it explains itself.

This is an opinion, not from the Attorney General but the Solicitor General -- well, I don't know. Francis Biddle is signing it "Acting Attorney General," so I do not know whether he is doing it as Attorney General or Solicitor General. Probably both capacities.

MR. EARLY: The department calls it the Solicitor General's opinion.

THE PRESIDENT: Yes.

This is to the Secretary of War and the opinion is concurred in by the Judge Advocate General of the War Department: (Reading)

> "You have requested my opinion whether and under what conditions the War Department may without advertisement sell or dispose of by exchange to private corporations or individuals the materiel set out in two lists submitted by you.
>
> "The materiel listed consists of supplies for the use of the War Department. All of such supplies which were owned by the Government on July 11, 1919, --"

In other words, this is the old World War stock. (Reading)

> "-- and which have been or may be declared to be surplus, may be sold by the Secretary of War under the provisions of the act of July 11, 1919 (41 Stat. 104,105), which reads in part as follows:
>
> "'That *** the Secretary of War be, and he is hereby, authorized to sell any surplus supplies including motor trucks and automobiles now owned by and in the possession of the Government for the use of the War Department to ** any corporation or individual upon such terms as may be deemed best.'
>
> "The provision that such surplus supplies may be sold upon 'such terms as may be deemed best' undoubtedly gives the Secretary of War power to sell without advertisement."

And then there are various decisions quoted in here. (Reading)

"The act of July 9, 1918, as amended by the act of February 25, 1919, limits the sales of guns and ammunition to other departments of the Government, to certain foreign states or governments, and to certain specified associations; but the act of July 11, 1919, supra, supersedes these provisions as to supplies on hand on July 11, 1919, including guns and ammunition, if they are at any time declared to be surplus. Once such supplies are determined to be surplus, they may be sold under the act of July 11, 1919.

"As to exchange of ammunition, the act of June 1, 1926, provides:

> "'That the Secretary of War be, and he is hereby, authorized to exchange deteriorated and unserviceable ammunition and components thereof for ammunition or components thereof in condition for immediate use.'

"Under this statute the Secretary of War may exchange any deteriorated and unserviceable ammunition for other useful ammunition or components thereof without advertisement. All that is necessary to protect the Government's interest is the ascertainment of the fair value for the exchange. This ascertainment of fair value may be arrived at through an appraisal and the obtaining of an exchange value of not less than the appraised value. A determination thus made would not be subject to review."

Now, that is the opinion of the Legal Department.

Then we come to what has happened, first on the Navy end, the statement, I think it was, given out either last night or early this morning: (Reading)

> "In accordance with an agreement with the Curtiss Aeroplane Company of Buffalo, fifty airplanes from various naval aviation reserve squadrons are being returned to that Company for replacement with planes of a superior type, equipped with leakproof tanks and armor. These airplanes are temporarily in excess of requirements due to the fact that many of the reserve aviators, normally attached to the reserve squadrons, have been transferred to Pensacola as instructors because of the large expansion of training at that place.

It is expected that the remainder of these planes at reserve bases will be similarly turned in as replacements are received."

Now, in regard to the general situation, ever since 1919 the Army and Navy have had on hand very large supplies of ordnance materiel -- this is ordnance -- which is now old-fashioned and which has been gradually deteriorating. Having in mind the sale of this materiel, Congress in that Act of July 11, 1919, gave the Secretary of War the power to sell these supplies as surplus. Ever since that time -- in other words, for nearly twenty-one years -- the Secretary of War has been declaring portions of these supplies to be surplus and has been selling them. I can add to that, in addition to selling them they have been turning them over to other departments. For instance, when the C.C.C. was set up in 1933, the War Department turned over shoes and clothing and slickers and things of that kind from the old World War stock. They were still serviceable, but would not have remained serviceable very much longer.

The same statute authorizes exchanges of supplies and equipment between the Army and Navy and a good many such exchanges have taken place.

The world situation has developed a demand for this deteriorated materiel, the sale of which would not have been possible a short time ago but it now has an immediate value.

In other words, during these twenty years it has been very often difficult to find a buyer and whenever a buyer has come along for some of this materiel, we have taken advantage of the existence of a buyer and have gone ahead and sold. Well, today

we have more buyers -- in other words, it is a buyer's market --

Q (interposing) Seller's market.

THE PRESIDENT: -- and today a lot of materiel that could not have been sold a short time ago, today has an immediate value.

On June 1, 1926, an Act of Congress provides the Secretary of War could turn in the deteriorated, unserviceable ammunition for new ammunition, and that has been done whenever there was a buyer to absorb the older ammunition. There is a demand for this deteriorated ammunition at the present time and it is to the advantage of this Government to turn in this ammunition which can, for only a brief period of time, be continued in stock with safety.

In other words, this ammunition is of a type that is still serviceable but, in a very short time, would either not be serviceable or would have to be reworked.

Under the statute of July, 1918, the Secretary of War may trade in airplanes just in the same way that an individual may trade in his automobile for a new model.

Now, we are asking the Senate to put into the present authorization bill -- as a matter of fact, I think it is now out on the floor of the Senate -- a clause which would permit the same procedure to be followed in the case -- let us say the procedure in regard to ammunition -- to be followed in the case of other materiel which has come pretty close to the end of its useful life -- guns and other equipment of that character. The same thing that is now authorized by law for ammunition.

The purpose of this amendment is a very simple one -- we can do it now. We could sell guns and things of that kind, but the

money goes into the general fund of the Treasury instead of putting it, like ammunition, on an exchange basis.

So this amendment would merely be for the older type of guns, like the old mount 75's of the World War, just the same thing as we could put it on an exchange basis, instead of putting it on a sales basis and thereby, instead of the money going into the Treasury and the buying of replacement guns out of new appropriations, we could use the sales value without going into the Treasury toward the purchase of the new guns and other materiel.

Q Would that authorization, Mr. President, apply also to airplanes?

THE PRESIDENT: Same thing.

Q Is it contemplated that these replacement guns shall be by private manufacture or in the Government arsenal?

THE PRESIDENT: Private manufacture.

Q Mr. President, did you say there is now authority to exchange airplanes, or does that require legislation?

THE PRESIDENT: Yes, yes.

Q Do I gather that when you have this final clause or authorization, that you then have a uniform ability to exchange planes, guns and ammunition, plus any other equipment?

THE PRESIDENT: Yes, plus any other equipment, so that instead of selling it direct, we could exchange and get the new thing. We can do that, of course, with airplanes today.

Q My thought was that you could do it with everything?

THE PRESIDENT: Yes, instead of the money going into the Treasury.

Q That means, theoretically, the old guns would have to go back to the manufacturers. You could not sell them directly to a foreign

government?

THE PRESIDENT: Yes, that is right.

Q Would that, sir, apply to destroyers?

THE PRESIDENT: No, I have not taken that up at all.

Q Mr. President, then you couldn't do this with new armament?

THE PRESIDENT: What?

Q You could not turn back new armament and sell it abroad?

THE PRESIDENT: No, not if it is brand new armament, unless it is out of date - - - - and, as you know, a plane can get out of date darned fast. (Laughter) So actually, you know, it sounds funny but it is actually true, you take these new Navy bombers, they haven't got the new bullet-proof tanks that close up of their own accord. They have not got armor on them. They have just been delivered to us a short time ago but they are out of date.

Q Do you know about how many planes are in this outmoded condition that can be turned back?

THE PRESIDENT: Well, I think there are fifty on this list.

Q Will there be some more?

THE PRESIDENT: I don't know; I am no prophet.

Q The papers this morning said there are about a thousand or 1500 of them.

THE PRESIDENT: I don't know.

Q None of our planes as yet have armored or leakproof tanks?

THE PRESIDENT: Yes, some of them have.

Q Very few. Isn't it very few? As of the last hearing before the Senate, I think General Arnold testified that there were none. The only ones that have are of comparatively recent delivery, are

they not?

THE PRESIDENT: Yes.

Q Mr. President, will these planes be stripped of their confidential equipment before they are sent back to the manufacturers and swapped in?

THE PRESIDENT: What is the confidential equipment that is on them?

Q Bomb [sights] sites on bombers and other devices we have heard rumors about?

THE PRESIDENT: I don't think you need worry about that. Anything that is confidential will be kept confidential.

Q On this consolidation of purchases thing, will that mean that all future military purchasing will go through Procurement, or will it be retained in Army and Navy?

THE PRESIDENT: Well, that is what they are doing this studying on. Of course, one thing we are trying to do now which we didn't get around to in the World War, until the thing had been going on for about a whole year, is a greater consolidation of purchasing and a greater uniformity of contracts. That was one of our troubles during the whole first year of the World War. We didn't have uniformity of contracts between the different departments of the Government.

Q Mr. President, I do not believe we are quite clear. I believe you said you are asking the Senate to put into the present authorization bill authority to transfer equipment. Is that Message going up today?

THE PRESIDENT: No. I am just telephoning up to the people in charge of the bill.

Q As we trade back our planes -- as we may need to replace them, are we

likely to get them more uniformly built?

THE PRESIDENT: That is an entirely different subject. That is a question of type and, of course, Mr. Knudsen, with the committee that he took over from the Secretary of the Treasury, is working on that question at the present time very hard. We are trying to simplify and get a much smaller number of types than we have been getting in the past. I think I said the other day, at the Conference, one reason we have a good many -- what was it? fourteen different types of training planes in the Army? That was deliberately done to encourage a diversity of manufacturing; in other words, to build up a lot of little plants so that they could train men and be in a position to go ahead with the manufacture of standard types when the time came. That is the reason for this multiplicity of types in both the Army and Navy. It has been done deliberately and it has worked out very well because it has built up, I suppose, eight or ten small airplane plants that otherwise would not have been built up in the past few years. Now the time has come to standardize, using those same plants.

Q In this coordination of purchases, have they got to the question of priorities? As I recall the old War Industries Board, that was their first job, to decide on priorities of deliveries.

THE PRESIDENT: Pete (Mr. Brandt), I do not believe we have quite got to that point. I do not believe that -- I suppose they are beginning to study it but I do not think there is any jam.

Q Reports from several towns across the country seem to indicate that a great many army planes are heading toward the East Coast, which seems to suggest that there might be some Army planes going to be

turned over?

THE PRESIDENT: I have not heard of it at all. It is a brand new one.

Q Have any arrangements been completed for the sale of World War munitions to manufacturers?

THE PRESIDENT: I think so; quite a lot of it.

Q Will the receipts be held in the form of credits to the Government on books of the corporations?

THE PRESIDENT: I could not tell you.

Q Could you clarify that for us a little further? I don't believe there are manufacturers in this country that make guns -- the 75 mechanism is supposed to be a secret between our Government and the French Government?

THE PRESIDENT: Certainly -- I do not know about the breech mechanism -- but certainly the gun itself, and the mount, that isn't anybody's secret. Well, that is the major part of the operation. When it comes down to any secret thing in the gun, I suppose that might be made in one of the arsenals.

Q Pennsylvania thinks it is important for national defense that the Federal Government should extend the superhighway now building up there further eastward to connect Pittsburgh and the Navy Yard. Will you comment on that? (Laughter)

THE PRESIDENT: Well, I will tell you what I would do. If I were you, I would go and ask Ralph Budd, because he is in charge of clearing bottlenecks, and if there is any bottleneck up there -- (laughter)

Q Mr. President, have any restrictions been imposed on the export of machine tools?

THE PRESIDENT: No. No action has been taken on that yet because -- is

the bill through?

Q No.

THE PRESIDENT: It is not through yet?

Q No.

Q Mr. President, has any action been taken on tin and manganese in scrap steel?

THE PRESIDENT: What do you mean?

Q Has any action been taken of the fact that there is tin and manganese in scrap steel and scrap steel can be used to build up reserves of tin and manganese?

THE PRESIDENT: I do not know. Frankly, that is a little too technical. I do know this, that we have been, we are studying at the present time the capture, the purchase of a whole lot of scrap rubber and scrap steel that is lying all over the country and has not been picked up yet. I know a certain barn -- I won't say where -- that has two old plows and a broken-down tractor and about six old automobile tires that are hanging on a peg. (Laughter) There is a lot of it that can be picked up.

Q Why don't you put them in the Library? (Laughter)

Q Stories are becoming active again about prospective changes in your Cabinet?

THE PRESIDENT: I have been too busy on tin and manganese and rubber.

Q Do you agree with what Governor Lehman told you yesterday?

THE PRESIDENT: Well, I don't think there is any story on that.

Q How many of the old guns of the Army are you going to be able to turn in?

THE PRESIDENT: I cannot give you the figures because I do not know.

Q Mr. President, have you done anything on the First Circuit Judgeship?

THE PRESIDENT: No.

Q Is there anything new to be said on the civilian training program?

THE PRESIDENT: There has nothing much been done. I am waiting for Sidney Hillman to get down here next Monday before we start to coordinate all this various civilian training of all kinds.

MR. GODWIN: Thank you, Mr. President.

Q Have you any comment on the New York Times' editorial for compulsory military training?

THE PRESIDENT: I only read the first paragraph and I liked it.

MR. GODWIN: Thank you, Mr. President.

(The first paragraph of the New York Times' editorial, referred to above, reads as follows:

"TO DEFEND AMERICA

"The time has come when, in the interest of self-protection, the American people should at once adopt a national system of universal compulsory military training. We say this as a newspaper which has never before believed in the wisdom of such a policy in time of peace. We say it because the logic of events drives us remorselessly to this conclusion.")

CONFIDENTIAL
Press Conference #651,
Executive Offices of the White House,
June 11, 1940, 4.08 P.M.

THE PRESIDENT: Plenty of news today all right.

Q Not very big. You knew about that submarine, I suppose?

THE PRESIDENT: Yes.

Q A lot of news from Charlottesville yesterday.

THE PRESIDENT: Yes, I scooped you.

MR. DONALDSON: All in.

THE PRESIDENT: I have only two or three things. I have just signed the Naval Appropriations Bill. That is done. I have sent up quite a number of judicial appointments, judges and district attorneys and marshals this afternoon, and I have also sent up a letter to the Senate, addressed to the Vice President, in regard to a special appropriation for relief. Steve (Mr. Early) can give you a copy but it is perfectly simple. I have not had it copied yet. (Reading)

"June 11, 1940

"My dear Mr. Vice President:

"World events have made it clear to the American people that in the interest of American defense it is necessary for us to engage in a greatly enlarged program of training and armament.

"At the same time our deepest sympathy has gone out to the civilian populations of war-torn areas, and I believe that this sympathy should be expressed by a concrete example of our inherent and decent generosity.

"Many millions of dollars have been given to the American Red Cross for relief purposes in Europe, but I feel that the Government itself should greatly add to the assistance that is now being given.

"In the pending Relief Bill before the Congress we are making possible the expenditure of over one billion dollars for the relief of the needy unemployed in the United States. And in addition to this, large further sums are being spent from day to day by states and municipalities in the care of the needy who cannot be given employment on work relief projects.

"In view of these large sums spent at home, I feel that the Congress would receive nation-wide support if it were to add an appropriation to the Relief Bill in the sum of at least fifty million dollars as a token of our deep-seated desire to help not only Americans but people who are destitute in other lands.

"Clearly the greater part of the amount appropriated will be spent in the United States for the purchase and export of food materials -- nearly all of which represent surplus in this country. These surpluses are due principally to the war situation in other lands. We have used and are using a part of these surpluses for distribution to our own needy families. But there is still an excess which tends, incidentally, to depreciate the prices which American farmers receive for their products. Further export of these surplus food products will help the economics of our very large agricultural population.

"There are other things which the destitute refugees need across the seas -- medicines and medical and nursing aid; bandages, surgical dressings, hospital garments and even cots and blankets and sheets; ambulances; clothing against the winter which will be upon them soon; safeguards against epidemics which could well spread throughout the world.

"The funds of the Red Cross will be needed and used for these purposes. The appropriation I am suggesting will supplement their efforts.

"The appropriation should, I think, be kept in somewhat elastic form because it is clear that at this time it is impossible to forecast either the exact needs or the exact methods of meeting them.

"I call attention to the fact that such an appropriation in no way lightens the burden which the American Red Cross has already assumed. It is

necessary that the American Red Cross continue its splendid service for wounded and sick soldiers and civilians. An appropriation by the Congress will supplement the work of the Red Cross to meet the many additional crying needs of the civilian populations who have been driven from their homes.

"Very sincerely yours,

(signed) "FRANKLIN D. ROOSEVELT

"The Honorable
The Vice President of the United States
The United States Senate."

Then I sent a copy of that over to the Speaker for the information of the House because, if the Senate puts this on by way of amendment to the Relief Bill, it will go back to the House for concurrence.

Q Mr. President, Senators Lee and Pepper, I believe, today sponsored a move to repeal the Neutrality Act and the Johnson Act, or to modify them, I do not know which. Will you comment on that move?

THE PRESIDENT: I did not know about that.

Q You spoke yesterday at Charlottesville of giving material aid to the opponents of force in Europe. Do you contemplate in that any direct Governmental action or merely an extension of the present private corporation sales of planes?

THE PRESIDENT: Primarily that. Of course there will be additional Governmental action because we are uncovering further articles which could be of use, which might be called excess or surplus goods owned by the Government.

Q Would that involve any modification of the cash-and-carry?

THE PRESIDENT: No; no.

Q Mr. President, have you gotten around to consideration of (the sale

of) destroyers?

THE PRESIDENT: No.

Q Mr. President, will the benefits of this $50,000,000. for the Red Cross go to all the countries or only to the Allies?

THE PRESIDENT: Practically -- might as well be perfectly frank -- it will go principally to the Allies because you can't get them into the other countries.

Q Mr. President, do you hope -- still hope for an early adjournment of Congress?

THE PRESIDENT: I don't know. Of course I got entirely misquoted the other day. I did not say I hoped they would go home. It is perfectly clear they can stay here all summer if they want to, but as far as I can see the principal work will be finished in about a couple of weeks -- ten days.

Q What do you list as principal work?

THE PRESIDENT: What they got. You know just as well as I do what they have got before them.

Q Do you care to comment on the page ad today, put out by the Committee --

THE PRESIDENT: (interposing) Bill White's?

Q Yes, sir.

THE PRESIDENT: Well, I had not read it and I read this morning that Bob Sherwood wrote it so I read it then. It is a great piece of work, extremely educational for the people of this country and, without going into a specific endorsement of every phase, it is a mighty good thing that Bill White and his committee are getting things like that out for the education of this country.

Q As I understand this Senator Pepper proposal, it gives you authority

to lift the Neutrality Act and the Johnson Act. Is that desirable before Congress adjourns?

THE PRESIDENT: Here is the story: As you know, I cannot comment on things that I have never read.

Q Mr. President, there have been various editorial suggestions that in view of the troubled state of the world generally, the United States should study some modification of its policies in the Pacific as, for example, possible negotiation of a commercial treaty with Japan. Would you care to comment on those expressions?

THE PRESIDENT: No, I don't think so. I should say the only comment I could make, which would have to be off the record, is that there isn't any editorial writer in the country knows one-third as much about it as the State Department and I do.

Q That is off the record?

THE PRESIDENT: That is off the record. (Laughter)

Q I hope -- I hope.

THE PRESIDENT: That is just between us girls.

Q With respect to the Japs, Mr. President, might it be a fair assumption that any negotiations looking for better relations would await action by the Congress on the May Bill, which would empower you to embargo materials needed --

THE PRESIDENT: (interposing) No, I do not think there need be any connection between the two.

Q Mr. President, can we expect in the near future any modification of the combat zones, as at present defined?

THE PRESIDENT: Yes. It is supposed to be coming up to me this afternoon, a new map, and I have not seen it and, when I get the map --

as you know, I love maps -- I will probably spend some time checking distances.

Q Is it the intention to maintain some of the shipping services in the Mediterranean to neutral countries, provided the war does not spread throughout the whole Sea?

THE PRESIDENT: I am afraid you are a little optimistic on that. Of course possibly one could go, without going through a danger zone, from Constantinople to the other end of the Black Sea.

Q I was thinking of going from Constantinople through the Suez Canal.

THE PRESIDENT: That raises a nice question. That is one of the things I have to study. In order to go down from Constantinople to the Suez Canal, you would have to go pretty close to the Dodecanese Islands, which are owned by a belligerent, and you would have to go past Palestine and I do not quite know, frankly, what the situation with regard to Palestine is at the present moment.

Q Asia seems to be now in the combat zone?

THE PRESIDENT: Yes.

Q Mr. President, there have been rumors that at West Point and Annapolis the requirements for graduation might be lowered so they could get out in three years. I think that was done in the World War.

THE PRESIDENT: No, the only thing that has happened so far is that the Navy recommended that the class of 1941 be graduated in February, that is the mid-year, and I sent that over to the Secretary of War to ask whether he thought the West Point class should also be graduated in February and, so far as I know, I have not got a reply to that yet.

Q Did you take action on the Navy recommendation, aside from sending

it over to the Army?

THE PRESIDENT: No.

Q It is still pending?

THE PRESIDENT: It is still pending.

Q Will you tell us what you talked to Maritime Commissioner Moran about on Saturday?

THE PRESIDENT: I will try to let you know tomorrow morning. As a matter of fact, I think you had better hold it because I have not written my letter of appreciation to Ed Moran, so if you will be good enough to hold it until I can get my letter to him. He had to resign for purely family reasons, on account of his mother (it was the Commissioner's father) died and he has to go back to look after his own family business. It is a great shock to him; purely a family matter and I am regretfully accepting his resignation. I will try to get this off this afternoon.

Q Does your information give any possible clew to the nationality of the submarine that stopped the WASHINGTON this morning?

THE PRESIDENT: Nothing has come in yet.

Q Any comment on the incident?

THE PRESIDENT: No.

Q In the course of your official daily routine have you heard anything from the Italian Embassy this morning?

THE PRESIDENT: The Italian Ambassador saw the Secretary of State. What was said you will have to find out over there.

Q Thank you.

Q When you say, "Nothing has come in yet," with reference to the submarine, does that mean the Government is making inquiry?

THE PRESIDENT: As I understand it, they got this very short flash on the episode. I suppose there will be something more on it later.

Q When will you send the Congressional Leaders your usual letter thanking them for their cooperation, and that your program is over?

THE PRESIDENT: Whenever they want to go home.

Q Don't you do that before that?

THE PRESIDENT: Not until I know they want to go home.

Q On the combat zone, will it be possible to maintain communication with Portugal still, as far as you know?

THE PRESIDENT: Yes; I should say offhand, yes.

Q Both by air and sea?

THE PRESIDENT: Yes. Mind you, I have not seen this map. You cannot tell what the recommendations will be. My own idea is we still would keep communications with Portugal.

Q Who is preparing these maps?

THE PRESIDENT: State and Navy.

Q Any movement contemplated of the American Fleet from the Pacific?

THE PRESIDENT: No.

Q Anything new to report on the National Advisory Committee on Defense -- Stettinius?

THE PRESIDENT: No, they will be in on Thursday at 2.00 o'clock. I am going to try to make that a weekly conference.

Q Can you stipulate any of the items that you say have been uncovered that might be of possible value to the foreign governments, that is the opponents of force, France and Britain? What the nature of the new items is?

THE PRESIDENT: Well, I just gave you one today, $50,000,000. (Laughter)

Q Do they include any military items, Mr. President?

THE PRESIDENT: What?

Q Do they include any military items?

THE PRESIDENT: No. As I said, we are going over them all the time to see if we can find any more items we can spare. I haven't got the specific items yet.

Q Have you any indication of how many Army planes can be released to manufacturers?

THE PRESIDENT: What?

Q How many Army planes can be released to manufacturers?

THE PRESIDENT: I do not know.

Q In your conference today with the French industrialist Renault, did he give you any experiences in the changing over from the manufacture of civilian goods to war materials in his factories?

THE PRESIDENT: No.

Q Can you tell us anything about it?

THE PRESIDENT: Well, he told me about his factory and how they had gone into the three-shift basis last summer and how it had worked extremely well. Also he told me, very interestingly, about how, when the French mobilized the end of August, it took a very large number, a great many thousands of his employees, out of the plant and into the Army, and that he went right around, locally, and got the mothers and sisters and brothers, and so forth, of people who had been called to the colors to come in there and, in an amazingly short time, he was able to get his production back to the normal. They learned very fast.

Q Mr. President, would it be possible, in the light of present events,

to use the term, "non-belligerent" as applied to the United States, instead of the term "neutral"?

THE PRESIDENT: John (Mr. O'Donnell), I haven't had time since yesterday to open my thesaurus. (Laughter)

Q What about Mr. Hassett? (Laughter)

Q Is the fact that Commissioner Moran resigned -- is that off the record?

THE PRESIDENT: No. We will let you have it a little later.

Q Mr. President, have you got around to the excess profits tax yet?

THE PRESIDENT: No, they are still discussing it up there. I saw that very fine resolution that was passed by the Bob Doughton Committee.

Q That goes over --

THE PRESIDENT: (interposing) Yes, and as far as the House Committee is concerned, and I think as far as the House is concerned. Of course there may be attempts made in the Senate, either by the Committee or by individuals, to put an excess profits tax onto the bill. That is something I do not know.

Q Will you have any objections to it?

THE PRESIDENT: Well, I would like to see it first.

MR. GODWIN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #652,
Executive Offices of the White House,
June 14, 1940, 10.57 A. M.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think I have very much news this morning.

Last night I signed the Army Appropriation Bill carrying a total of $1,499,000,000.

And, in case somebody asks the question, the State Department, Agriculture and myself, we are -- we hope that the Cummings Bill for continuing the sugar program in the form in which it was reported by the House Agricultural Committee will go through.

I am setting up, with the full approval of the Advisory Commission, by Executive Order, a National Defense Research Committee and asking Dr. Vannevar Bush, President of the Carnegie Institution of Washington, to act as chairman. It is to be a committee of eight members and is to study, through research laboratories, Government laboratories, also educational and scientific institutions and laboratories within industries, everything relating to experimental investigations and reports, to accelerate the defense program. There will be an Army officer and a Navy officer attached to them and they will handle practically all research problems with the exception of the problems of flight, which will continue to be handled by the NACA -- in other words, the National Advisory Committee for Aeronautics -- but, of course, that committee will also work with the general research committee.

The Bureau of Standards, the National Academy of Sciences, the National Research Council, they will all coordinate through this new committee. We are not ready yet on the membership because I want to talk some more with the Advisory Committee and also with Dr. Bush before

I can give you the other seven names.

Q Does Dr. Bush remain the head of the National Advisory Committee for Aeronautics?

THE PRESIDENT: I suppose so, yes.

Q Have you, sir, received a second personal appeal from the Premier of France?

THE PRESIDENT: Only what I read in the papers this morning. It has not come through yet to me.

Q Have you in mind any reply, directly or indirectly, other than the Charlottesville speech?

THE PRESIDENT: Of course we have to get it in. Of course the answer is a perfectly simple one and that is that we are doing everything we possibly can.

Q Mr. President, I have a couple of queries here that I know very little about -- I have to state them to you -- one is reports that the Government or the Administration is contemplating an embargo on scrap iron to all but France and Britain and, secondly, that the Japanese Government is seeking to place a very large order for scrap material, and the question is, Can you say whether you favor an embargo or can place an embargo or what can you say about it?

THE PRESIDENT: I suppose the easiest thing is to say that I do not know anything about it. I have not heard of further demands for scrap but, of course, there is a certain amount of purchasing of scrap that is going on all the time. I never heard of any large order. In the second place, on this question of embargoes, we haven't the law yet, and in the third place, when we do get the law, the primary objective of the law is to keep within this country things that are definitely, clearly needed for national defense. Now, whether that would apply to the scrap metal situation at this time, I have not the foggiest idea. I do not know.

Q You say you were not aware of this large shipment or order?

THE PRESIDENT: No.

Q What kind of machinery will be set up under this provision in the law -- the embargo provision?

THE PRESIDENT: Oh, I do not think there will be any special machinery set up. In other words, we would undoubtedly consult, on a thing like scrap metal, with Mr. Stettinius' section, we would consult with the Commerce Department and clear the whole thing through the State Department.

Q Mr. President, do you believe that we can extend our material resources to the Allies in sufficient volume and with sufficient speed to save them?

THE PRESIDENT: Oh, I could not answer a question like that. It would take me two hours to answer it.

Q I have another question: There is a dispatch just came in from Berlin, saying that trustworthy sources say that Bullitt has been placed in protective custody by the German military forces in Paris. Have you had any word along that line?

THE PRESIDENT: No. Perhaps the only question I could ask would be -- well, no -- the only question I could ask would be, Protection against what and whom? (Laughter)

Q (by Mr. Godwin in a stage whisper) Mr. Trohan.

Q To return to sugar for a moment, do you care to comment on the amendment pending, which would restore the limitations on Hawaiian and Puerto Rican sugar?

THE PRESIDENT: Sugar?

Q Yes, sir.

THE PRESIDENT: The only thing I got here is that the State Department and the Agricultural Department are in favor, and so am I, of the Cummings Bill

in the form in which it was reported out by the House Agricultural Committee.

Q Did you say whether you might veto the bill if it had that amendment in it?

THE PRESIDENT: I don't know; you will have to ask the other departments. (Laughter) I do not think there is anybody in this room that know anything about the sugar situation. (Laughter)

Q Mr. President, I have two more minor things which I am instructed to ask you. One is about loan contracts for low cost housing at Pensacola, the aviation field, and the Army base at Montgomery. Do you recall having signed papers on that?

THE PRESIDENT: No. For Government housing?

Q Yes.

THE PRESIDENT: No -- I signed two projects yesterday for the U. S. Housing Authority, but which they were I could not tell you.

Q That might have been it. It came to me from the office at Pensacola and Mobile.

THE PRESIDENT: I do not know; I signed two yesterday -- what they were I haven't the foggiest idea.

Q The Chancellor of Germany, in an interview granted to Mr. Von Wiegand of the Hearst newspapers, described as grotesque any suggestion that Germany might invade the Western Hemisphere. Will you comment on that?

THE PRESIDENT: No, except that it brings up recollections. (Laughter)

Q Can we quote that?

THE PRESIDENT: I think that is quite sufficient comment. It can be enlarged on with dates and nations, et cetera and so on, going back for quite a period of years.

Q May we put direct quotations around that first part?

THE PRESIDENT: Yes -- "It brings up recollections" -- right.

Q There are reports today that Spanish-Moorish troops have taken over the international city of Algiers?

THE PRESIDENT: You mean Tangier? (Laughter)

Q Tangier. (Laughter)

THE PRESIDENT: I had a flash from the other side -- I have forgotten, frankly, whether it came from Madrid or somewhere else, but it was a report and that is all -- just what you got.

Q Do you have any plans for coddling the domestic manganese industry?

THE PRESIDENT: No. No. (Laughter) Did you say "coddling" (Laughter) or "cuddling"? (Laughter)

MR. GODWIN: Thank you, Mr. President.

Q Have you any reports from Mr. Hillman on what skilled trades there may be need for speedy training on, or retraining in order to provide --

THE PRESIDENT (interposing) No, we haven't got to the report form yet.

MR. GODWIN: Thank you, sir.

CONFIDENTIAL
Press Conference #652-A
Held with the National Conference of Business Paper Editors,
Executive Offices of the White House,
June 14, 1940, 11.20 A. M.

(Mr. Paul Wooton introduced the members of the Association.)

THE PRESIDENT: (referring to the fact that Mr. Wooton, with one or two exceptions, had been able to introduce each of the members by name) Well, that is an almost perfect record. It is perfectly grand.

MR. WOOTON: Mr. President, you know how important it is for publishers to be behind editors on any cooperative effort. Now, the publishers have written you a letter and I think, if I can take a minute to read real rapidly a little thing here that shows we are trying to help out in this emergency. They say:

> (Reading) "Twenty-two years ago this month, when this nation found its commerce being driven from the high seas and was forced into war to defend the welfare and the very lives of its citizens, The Associated Business Papers, Inc. - the national organization of business paper publishers - offered its services to the Government in marshalling the forces of Industry and Commerce for the successful prosecution of the first World War. These services were accepted.
>
> "Touching intimately the business lives of more than two million key men in every major branch of commerce, industry, and the professions, the editors and publishers of the organized business press were, and are, peculiarly well situated and fitted to serve the nation's needs in this capacity. To these editors business men look for the specific interpretation of important events in terms of their specialized business interests.
>
> "Today, with our country a second time facing the vital necessity of speedily rallying the forces of production and distribution to the urgent need of national defense and material aid to the Allies, The Associated Business Papers, through the National Conference of Business Paper Editors, again comes to Washington to offer its facilities. Active as we have been in the past in this respect, we want to assure you of an intensification of this effort. A National Defense Committee has been set up to keep in constant touch with your needs and desires, and to transmit these speedily to the hundreds of editors who are daily, weekly, and monthly counseling with the very business men, from foremen to presidents, upon whom we will depend to carry out this great effort in office, store, and factory."

These, you know, are editorial writers and they have a good many hundreds of thousands of readers who take those editorials seriously, Mr. President. Industries really read these papers. They have to pay a pretty good subscription price for them, you know, and after spending their money they feel they have to read them.

THE PRESIDENT: They count a lot and I have been very, very happy in the real understanding, I won't say of all, but of a very large percentage of the papers in the general national picture.

MR. WOOTON: We thought, Mr. President, you might have some little suggestion that you might make to them on something they could write editorials on in the next two or three months, when we will be in a pretty critical time, perhaps.

THE PRESIDENT: Well, one thing is pretty important at this time -- we have to say this off the record, for background --

MR. WOOTON (interposing): They understand.

THE PRESIDENT: -- and that is a real danger we all recognize in this country. I used a phrase the other day, down at Charlottesville, about this country being put in prison, put in prison behind bars and fed at the will of people on the outside. Well, of course you all know exactly what I meant. It meant that on world trade, which does have a good deal of influence on our domestic trade, first and last, unless we have fairly free world markets, we are gradually going to be put in behind the bars.

Well, just as an illustration, Karl Von Wiegand -- it is in some of the papers this morning -- got an interview with Hitler yesterday in which Hitler said he had no thought of doing anything to the Americas -- not a thought at all. They asked me in the Press Conference whether I had any comment and I said, "Yes, I have a comment and in very few words -- it brings back recollections." (Laughter)

Now, of course, the danger is that we have today a Europe which is completely dominated by a completely different ideology which does not have to come into this country with its armed forces, of necessity, but it can, through trade channels, gain practically a complete domination over other countries in this hemisphere who are dependent, even more than we are, for their existence on purchases made by Europe.

I think it was about a year ago, about the time you were down here last summer, I was formulating that in my own mind. I try, always, to put myself in the place of the other fellow. I said, "Suppose I were President of the Argentine and Europe were completely dominated by the dictatorship ideology. Well, the Argentine is solely dependent for its existence on exporting certain agricultural products, beef and corn and wheat. And this dictatorship of Europe would come and say to me, "Senor Ortiz, you may -- you may, with our permission, sell beef and corn and wheat to Europe -- that ends it -- provided you do it through my agency, which will charge a commission and will tell you how much you can sell and where you can sell it. And there are certain other catches attached to it. You have got to put your army and navy under our domination."

And, of course, the President of the Argentine would say, "But that is pretty rough; that takes away the independence of this nation, to be told how much we can sell and where we can sell it and how much we get paid," because, of course, Europe would say, "We will pay you in our manufactured goods and we will choose what kinds of goods we will ship to you."

Well, the Argentine President would say, "That is terrible, we can't do it; it would destroy our independence." And the European dictatorships would say, "All right; take it or leave it. Why don't you, if you do not want to sell it to us, sell it to your North American friends?"

Well, of course, he would say, "But the United States cannot buy beef, wheat and corn; they have a surplus themselves."

"Well," Europe would say, "it is just too bad -- just too bad."

In other words, you can gain domination over a large portion of this Continent without sending troops over, and that is something we have to watch out for. And that applies, of course, to exports and imports, and it would be a perfectly logical conclusion of the domination of Europe by those powers.

Of course the domination of Europe, unless sea power is maintained, means also the domination of Africa because Africa belongs to Europe.

That is why I think that every business paper in this country ought to fight against what may be a tendency over here on the part of unthinking people and on the part of politicians who try to gain some political end by assuming to believe stories like the Karl Von Weigand story of the interview with Hitler this morning. There are a lot of gullible Americans that will say, "You see, he says he won't do anything over here. Why shouldn't we go easy?"

In other words, we all have to work for the continuance of the freedom of trade through the world -- equality, put it that way, equality of trade.

MR. WOOTON: We rather feel that the balance of power at this moment, in this struggle, lies in American industry. Isn't that true? Shouldn't they all --

THE PRESIDENT (interposing): I would not say "balance of power" because it may be an European dominated industry on the one side as against the American industry on the other.

MR. WOOTON: I was referring to the more immediate situation, that while the English keep the struggle going ahead, American industry can be helpful

in production.

THE PRESIDENT: Yes, very helpful.

MR. WOOTON: Do you know of any bottlenecks or anything that they might say something about in their editorials, or that industry can do to make itself more efficient?

THE PRESIDENT: You know, it is a lot of nonsense to talk about shortages and things like that. You take, for example, on the problem of manganese: somebody asked me a question about it at the Press Conference. We have got pretty good supplies of manganese on hand and even if we could not get any more over from the Straits Settlements, the cheapest source, we could still get some in Brazil, some in Cuba and, as a last resort, we have got manganese mines in this country, which are high-cost mines and which would cost us a lot of money, but which could be put into production.

The same way in the case of rubber. The rubber companies are working with us very well. We will probably get by and if it should come to the point where our ocean communications were cut off, there are one or two processes of making synthetic rubber that, at the present time, are probably higher in cost than the natural form of rubber but, in case of need, we could put those in and start them to work and get them in production in six months. Stettinius, for instance, has been working on that and is entirely satisfied.

I do not think there are any particular bottlenecks. On the cost end, we are all trying to keep the spiral of the World War from starting in again and, of course, I think we should all cooperate on that. That spiral was a very dangerous thing because the cost of living went up and wages went up and then the cost of living went up and wages went up. If we can keep prices down to a reasonable level, it is going to help an

awful lot.

I do not think there is anything else. It is good to see you.

MR. WOOTON: We have had very inspiring conference with Mr. Stettinius and Mr. Knudsen and various officials. Steve (Mr. Early) has been helpful in fixing up the arrangements.

Thank you very much, Mr. President.

CONFIDENTIAL
Press Conference #653,
Executive Offices of the White House,
June 18, 1940. 4.04 P. M.

THE PRESIDENT: Well, how is everything going today?

Q Fine.

THE PRESIDENT: Well, you (Mr. Godwin) very nearly missed a good place.

Q (Mr. Godwin) Those fellows don't like me to run around that end. They block me.

THE PRESIDENT: I know it; it is bad.

Does Portland, Maine, want an ironclad today?

Q (Miss Craig) What?

THE PRESIDENT: Does Portland, Maine, want an ironclad today?

Q (Miss Craig) Well, we got 70 per cent of a two-ocean Navy this morning over at the House (referring to Admiral Stark's testimony before the Naval Affairs Committee of the House of Representatives).

Q We understand May's (Miss Craig's) name is on that Navy Bill. (Laughter)

Q They are after a seven-seas Navy now.

(Discussion, off the record.)

MR. DONALDSON: All in.

THE PRESIDENT: I have only got a couple of matters here -- probably won't be first column, first page. The first relates to newsprint, just as an illustration of the efforts that we have been making and are still making to improve the readjustments -- economic readjustments in the Americas.

Down in South America, when the Scandinavian market for newsprint was cut off, all the papers down there were up against it because they did not have enough supplies on hand and they had to turn to Canada and the United States on a large scale and, of course, our newsprint over here costs a good deal more money than Scandinavian newsprint. One of

the chief troubles was the cost of carrying it down there -- it was $15 a ton -- and, through negotiations here in Washington and through cooperation between the State Department, the American Republics Division and the Maritime Commission, the rate on newsprint from New York to Buenos Aires has been reduced from $15 a ton to $9.75 a ton, which is a very definite improvement over the position the papers had down there. It has helped them out a lot. Those rates will apply to all countries on the East Coast of South America.

Q The same rate, sir?

THE PRESIDENT: Yes.

Q The same rate applies equally to Rio and Buenos Aires?

THE PRESIDENT: I do not know if it is the same rate. It is the same reduction in rate. The same proportionate reduction in rate is what it is. It is over 33 per cent.

Q Mr. President, who bears the reduction -- who absorbs the reduction?

THE PRESIDENT: Well, I guess that the American shipping lines absorb it and I doubt very much if they are losing money at $9.75 a ton. So you cannot say it is a gift on their part necessarily.

And the other thing: Secretary Wallace was talking to me today and I asked him to write out what he said in regard to our general agricultural situation in this country at the present time. He says that through these recent years, through an effective national farm program, it has resulted in a situation where the reserve supplies of food reserves that are stored in warehouses and granaries have now reached what might be called a "safety point," at the same time that we have built up the fertility reserves in the soil by better land use. For example, in the situation of wheat, we have in reserve at the present time about three times the previous carryover, average carryover, which seems to

be sufficient to take care of any problem of the future that we can foresee in the way of having to feed very large portions of the world population.

The same way with corn: the reserve supply is at the present time about three times the previous average normal (carryover). This corn, if and when needed, can be fed to livestock for the production of meat, eggs, poultry, milk, butter, cheese and the production of other important foods.

In other words, we are feeling satisfied with the size of the food reserves that we have in this country, allowing at the same time for the export of food reserves to other countries which either need them or may need them because of the war in the near future.

In the case of cotton, we have on hand, in reserve, as much as one year's crop, with a new crop coming on this fall. The question of cotton is not quite as easy because it is perfectly possible that we may have too much cotton on hand as a reserve, but on the main crops, food crops, we have sufficient reserves at this time and can, if necessary in the future, increase those food reserves and at the same time protect farmers' income, which we have never been able to do before.

And, finally, he points out that with this increase of reserves, we have been safeguarding the health of the people by distributing very large quantities of surplus quantities of nutritious food to families in need.

And this, finally, has been accomplished, all of this -- the greatest strength of agricultural preparedness lies in the experience of more than 6 million farmers who, through their own elected county committeemen, are cooperating with each other and the Government in carrying out the farm program, and the farmers are showing a splendid

cooperative spirit in the working out of the defense plans.

I think that is about all I have got.

Q Mr. President, can you tell us anything about this increase in the Navy that has been recommended?

THE PRESIDENT: Well, as I understand it, it is principally an authorization bill. I believe, in some items, that there is sufficient in the way of appropriations to do a certain amount of actual starting of construction in some types, but I think I would emphasize the fact that this is primarily a Congressional authority for the future building of more ships, if and when it becomes desirable to lay them down.

Q Admiral Stark said this was not a paper program but would be started at once if authorized by Congress. Does that meet your views?

THE PRESIDENT: Well, of course, I haven't seen the exact language he used. I would have to check.

Q Would you say, sir, there would be a corresponding increase in the military strength of the Army?

THE PRESIDENT: I do not think you can say "corresponding," Fred (Mr. Essary). In other words, they are on different lines -- like trying to compare apples with pears.

Q It is the third increase in the single session of Congress.

THE PRESIDENT: What?

Q A third increase in the Navy strength.

THE PRESIDENT: Yes. Of course, on the Army side we are working out -- Mr. Knudsen, for instance, is talking about two things in which the same general thought applies to both the Army and Navy, in building up productive capacity, for example, for 50,000 planes. The question remains still as to how many actual planes would be turned out by the additional productive capacity. You might confine a portion of the program to build-

ing the factories for the planes instead of building all the planes that that production would make possible. In the same way, with the Navy program, we might go ahead with the creation of shipbuilding facilities at navy yards and private plants without, of necessity, laying down the full number of ships that those shipbuilding facilities would make possible. Do you see the point? I cannot tell you the number of ships but probably we will use a good part of this authorization and the money that we already have on hand to increase, oh, things like the machine tools to build ships with, the tools for electric welding, just for example, and the actual building of ways with the overhead cranes, without of necessity deciding now as to whether we will start ships on those ways.

Q Mr. President --

Q (interposing) Have you, from your sources, sir, any intimation of the terms of the Axis powers to France?

THE PRESIDENT: I have not a word. The last I got was one of the press associations' reports that the meeting was over. Nothing has been given out yet that I know of.

Q Mr. President, the other day you said you liked the (first) paragraph of a New York Times' editorial on compulsory military training. Can you elaborate on that in any way?

THE PRESIDENT: Well, only to this extent: Perhaps I should not have -- should not have spoken so fast. I did not, frankly, intend to imply that there should be compulsory military training for every boy in this country, because, after all, the word "military" may connote to some people turning the boy into an infantryman or a pilot of a plane, a war plane, or an artilleryman or a machine gunner at the front. Of course, what I was personally thinking about at the time was the much broader definition of

the word "military." As you know, for every combat soldier at the front, you have to have -- I have forgotten what the Army figures are -- but at least another soldier who is in uniform but is not a combat soldier behind the lines, and when I say "behind the lines," I mean airplane mechanics at the different airports -- just using typical examples -- people on the line of supplies of the Army, bringing up ammunition and food, et cetera and so on. Well, those people are, in one sense, military and they are probably in uniform but they are not combat troops. Now, we ought to train people for that.

Then you come to, let us say, a third category, the training of young people in work behind the lines where they are not in uniform -- airplane factories, ammunition factories, clothing factories, all kinds of industrial work which is necessary to keep Army and Navy forces going.

And then, perhaps, you come to a third -- a fourth category, and that is the maintenance of certain -- certain necessary conservation so that war won't wreck the future economies of the Nation, so that in the event of a future war we would not make the mistake of 1917 and 1918 and plow up the prairies, cut down all the forests, as has happened in some countries in Europe. In other words, that, in conducting the war, we would still remember the fact that the Nation had to exist on its resources after the war was all over.

Well, in a sense, that is a military duty and using the word "military" in the sense I am talking about, its very broadest application, I do think that we undoubtedly are going to come to some form of Government service for every boy, no matter what class in life he belongs to, where he will be under some form of discipline because even the CCC Camps have discipline.

It is rather an interesting thing that a certain gentleman who had

just taken an automobile trip out through the Middle West said to me the other day. He said, "I saw a lot of young people, a lot of young people out there. They were all patriotic, without any question, but a whole lot of them had all sorts of weird ideas in their heads, what I call 'isms.' They thought they knew a lot more about the problems of the Nation, government social, economic, than anybody else did.

"And the place where I found," he said, "probably the sanest and soundest idealism that was not running off after all kinds of isms, was in the CCC Camps."

I said, "Why?" "Well," he said, "I do not know why except this, that perhaps it is because they have two things: they have discipline, which does not mean military training, but they have got discipline and, secondly, they have got to learn -- they have all had to learn that in their daily life they have got to think of somebody else besides themselves. In other words, that they cannot make a mess without cleaning it up because it would affect the lives of 199 other boys who have to live with them, and that, after a very few weeks, they learn how to live with their fellows without being nuisances to their fellows, and they get a point of view of a certain, what might be called, 'responsibility to mankind' which has been very, very helpful to them and given them a pretty sane point of view."

Well, that is not military training but it is discipline, which is a darned good thing for all of us, probably every one of us in this room. It would be a mighty good thing if we could be put into -- there are probably 200 of us -- if we could be put into a CCC Camp together, and a good many of us would have to get over some darned bad habits. Isn't that right? Oh, well, we don't have to name any names but we know. (Laughter) It would be one of the best things that could happen to us

and, of course, if that is true with us older people, it is probably equally true of young gentlemen -- young ladies, for that matter -- eighteen or twenty years old.

Well, that is the general idea -- I think that we are coming to some form of universal Government service.

Q When, sir?

THE PRESIDENT: Oh, don't be too didactic. I am in the middle of studying it now. I will have to say something on it pretty soon. I am getting ready but do not go into any details because I haven't gone into any.

Q One more point on that: you mentioned boys, how about girls?

THE PRESIDENT: Well, that is one of the things we are studying very definitely and there again one of the difficulties on the girl end of it, quite frankly, is to find enough different varieties of things for them to do.

Q Well, make this coeducational. (Laughter)

THE PRESIDENT: We are going to have twenty-five miles -- it is a big country -- between any boys' camp and any girls' camp. (Laughter)

Q And no autos. (Laughter)

Q Mr. President, when will you have something to say --

(At this point Mr. Godwin was interrupted by a correspondent behind him who, simultaneously, asked a question about "wearing out shoes.")

Q Mr. President, when will you have something to say in furtherance of the statement that was given out yesterday by Mr. Early with respect to the control of surpluses?

THE PRESIDENT: I haven't the report on that yet, Earl (Mr. Godwin). I think it is due on --

MR. EARLY (interposing) Thursday.

THE PRESIDENT: Thursday.

Q Would you care to say anything about that now?

THE PRESIDENT: No.

Q Will you say anything about what you discussed with Charles F. Roeser of Fort Worth, the oil man?

THE PRESIDENT: Oh, he came up to talk about oil and I turned him over to Secretary Ickes.

Q Did he talk about the Texas shutdown?

THE PRESIDENT: They are having a meeting down there now and, of course, on the oil production problem, it probably has got to be handled realistically on what the Treasury would call a 24-hour basis because the events in the world may on one day greatly curtail our export field and then the events of the next day may curtail some other oil field in a different part of the world and make our oil more available. It ought to be handled on a day-to-day basis, with the different states in the oil compact ready to take action at a minute's notice to meet the fluctuations.

Q Mr. President, the United States at various times has indicated its general interest in the probable disposition of the Dutch East Indies. Would you care to comment whether the United States would have a similar interest in the possible disposition of French Indo-China in the light of this situation?

THE PRESIDENT: No, it is over my head.

Q Mr. President, are you going to bring any new personnel into the Government right soon?

THE PRESIDENT: Pretty soon -- pretty soon.

Q Mr. Forrestal?

THE PRESIDENT: I think you had better wait. I think you had better wait.

Q Does Tobin mean anything to you?

THE PRESIDENT: Oh, I know him very well. He is an old friend of mine. I think you had better wait.

Q Several weeks ago various representatives of South American countries signed a project to create an Inter-American Bank. Will you tell us, sir, if you expect to ask the Congress to ratify that convention at this Session?

THE PRESIDENT: Did it have to be ratified?

Q Yes, sir; calls for ratification.

THE PRESIDENT: I don't know -- I had forgotten all about it. You might send word up to the Hill that if I ask for ratification I hope to God they will ratify it. (Laughter)

MR. GODWIN: Thank you, Mr. President.

Q Mr. President, may we ask one more question on universal training? Your remarks -- does that imply there will be a Message to this session of Congress on the subject?

THE PRESIDENT: Well, I do not know because that is a question -- because on the question of when Congress will be here, none of us know, but the chances are that they will take a recess of some kind and come back.

Oh, by the way, I cleared up one point the other day. I did not know in my own mind whether, if Congress were in recess, I could still call them back into extraordinary session and all the good lawyers say that I can, so it is all right. In other words, if they were to take a recess for six weeks or eight weeks, as long as I have the right to call them back in the meantime because of something that has happened, I am perfectly safe. In these days I would want to be able to get them here on four days' notice and some people thought in a recess to a future definite date that I could not call them back, but everybody says now I can. And probably on this universal Government service -- oh, I don't know, I might have it ready -- something to say in a letter or a Message -- in the course of three or four weeks and maybe not for six weeks. I do not know.

Q Is that likely to be a year's training?

THE PRESIDENT: Yes.

Q Is there anything you care to say, Mr. President, or can say at this time about the possible ultimate disposition of French or British possessions in the Atlantic or Caribbean?

THE PRESIDENT: No.

MR. GODWIN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #654
Held while the President was seated in his automobile,
immediately after leaving the Presidential Special Train
at Hyde Park Station, New York,
June 21, 1940, 9.40 A. M. E. D. S. T.

THE PRESIDENT: They said, "What did you hurry us for?" (Referring to Miss Lehand and Mr. Hopkins, seated in the car with the President, who had not known that the Press Conference was to be held.)

Did Bill (Mr. Hassett) give you those? (Referring to release which the Press was then reading, as follows:

"FOR THE PRESS IMMEDIATE RELEASE POUGHKEEPSIE, NEW YORK
JUNE 21, 1940

"STATEMENT BY THE PRESIDENT

"Our discussions have gone forward in regard to action designed to advance the economic relationships in the Western Hemisphere and to create new means and bases of economic co-operation among the American Republics. In some of its essential features, this program of cooperative economic action by the American Republics and possibly by other countries is being undertaken in response to new -- but, we hope, temporary -- developments in international relations. It is not intended to replace the program of reciprocal trade agreements which has been steadfastly pursued by the Government of the United States. We continue to believe that the basic principles of that program offer the most effective basis for mutually beneficial economic relations among nations, and we are determined to work, as circumstances permit, for their fullest possible application.

"The program of action now being formulated involves a proposal, which is being placed before the American Governments for their consideration, to create by mutual agreement an appropriate inter-American organization for dealing with certain basic problems of their trade relations, including an effective system of joint marketing of the important staple exports of the American Republics. We intend also to proceed promptly and vigorously through many existing agencies to deal with various immediate difficulties now facing some American Republics. Appropriate legislative proposals necessary to make possible certain of the operations in connection with the projected program will be submitted to the Congress in due course.

"These measures are a part of a program of economic defense designed to supplement our military defense program. They are

intended as a further safeguard for the peace of this Hemisphere and as a means of protecting our economy and the economies of the other American Republics from the repercussions of the disturbed international situation.")

That is just a statement about the economic thing on the American Republics report made and that is the summary of it. It is not very long. The actual report is about three pages. I think the only important thing to add to it that isn't brought out clearly in the way this was summarized is that in the second paragraph, "an effective system of joint marketing of the important staple exports of the American Republics." That means, obviously, a joint marketing of those important staples outside of the American Continent. But, unfortunately, there are some people that are crooked enough to say that this means the immediate importation of the whole Argentine beef crop and similar things. Well, of course, it does not. It means that we pool staple crops which we grow in common and get them off this continent.

Q Mr. President, can you give us anything on the mechanism by which this would be accomplished? That is, the corporate mechanism or if it would be done --

THE PRESIDENT (interposing): Yes. Probably, I should say offhand, some corporate mechanism, with representation in that from the different countries affected. That is a thing that is too early to go into detail because we would have to wait until this conference is over. In other words, if you, for example, had a series of corporations, each one dealing with a specific staple commodity, or it might be one corporation with subdivisions, each one of them dealing with a specific commodity. That is a thing I don't know yet.

Q Mr. President, you speak in here of various immediate difficulties now facing some American Republics. Could you elaborate a little on that?

THE PRESIDENT: Well, in the last six months the exports of meat from the Argentine, Paraguay and Brazil to Europe have fallen a very large percentage. The export of coffee from Brazil to Europe has fallen. When I say "a very large percentage", in most of those cases it is more than half. And, the same way, beef from the Argentine and wheat from the Argentine -- and cotton from the United States.

Q Is it too early yet to say, Mr. President, what the paid-in capital of this corporation or corporations might be? We have had figures of a billion and then, also, two billion.

THE PRESIDENT: Oh, no; nothing like that. You see, you can add with a corporation -- you can ordinarily add anywhere from five to ten times as much volume of business as you have in your capital structure. And the total amounts of all of these crops I don't suppose runs more than two billion dollars all told.

Q Two billion, did you say?

THE PRESIDENT: That is just as a guess. That is a very rough guess.

MR. HOPKINS: It is just over a billion outside of the United States and, including us, it gets up --

THE PRESIDENT (interposing) Counting cotton it is under two billion.

Q Mr. President, is the South American debt problem to come into this picture at all -- their bonds?

THE PRESIDENT: I doubt it. I doubt it. Except, of course, it may be discussed for the simple reason that most of those countries would like to clean it up. One of their chief desires in settling the old debts -- which are not from government to government but government to private individuals -- is, in making the settlement, to have the money paid spent in the country that owes the money, and there is rather definite progress being made along that line.

Q I take it, Mr. President, that any capital involved in this plan would be United States capital?

THE PRESIDENT: Oh, no. Oh, no. Everybody is coming in.

Q Have they got it?

THE PRESIDENT: Yes. It is not a very large amount.

Q (Mr. Belair) Mr. President, don't look now, but Mr. Landon says your appointing of those two Republicans to your Cabinet means you won't run a third term. (Laughter) Any comment?

THE PRESIDENT: I saw all kinds of things -- all kinds of things -- this morning. If I started commenting on one, I'd have to comment on I don't know how many different things because I think the only comment I can make is what I was thinking last night after I went to bed -- and a good many other people were thinking, too -- and that was some sort of a difference between different kinds of people who really, honestly do think in terms of their patriotic motives and people who think in terms of partisan motives when a very difficult time is on. Further than that deponent saith not.

Q Can you say, Mr. President, whether those appointments yesterday just about complete your Cabinet appointment plans?

THE PRESIDENT: As far as I know.

Q Does that statement answer the general charge that you are creating a war party and a war cabinet?

THE PRESIDENT: I think from what I said I could doubt it very easily, and also what I wrote yesterday.

Q Did you happen to read an editorial in Tuesday's St. Louis Star-Times on your defense program?

THE PRESIDENT: No.

Q Sentiment in the Middle West.

THE PRESIDENT: Do you mean to say the editorial writers assumed to speak for sentiment in the Middle West? (Laughter)

Q There seemed to be a controversy up there as to who was speaking for them. (Laughter)

Q (Mr. Durno) I think we have done better than we usually do at 8.30. (Referring to E. S. T.)

THE PRESIDENT: I think, George, you are looking extraordinarily well this morning.

Q (Mr. Durno) I do, too. I planned it this way. (Laughter)

THE PRESIDENT: It takes intestinal fortitude.

Q Mr. President, do you plan to stay the week end, if possible?

THE PRESIDENT: Yes. I hope not to go back until Sunday. I don't know, of course. I am always subject to call -- I never can tell. The old train will be spotted up there in Albany or Troy and ready to come down here in an hour and a half.

Q Haven't any local plans -- dedication or anything of that sort?

THE PRESIDENT: No.

Q Anything new on the Vanderbilt property?

THE PRESIDENT: I think it is all done.

Q It is except, apparently, the deed has not been passed, I don't think. Has it?

THE PRESIDENT: I haven't checked. I think it has but I am not dead sure.

Q At any rate, there isn't anything to prevent it?

THE PRESIDENT: As far as I know, there isn't anything to prevent it.

Q Has the appropriation anything to do with the proposition?

THE PRESIDENT: I think the deed has been cleared. Whether it has been recorded or not, I don't know. Better ask the County Clerk.

Is there anything in line for announcement concerning Mr. Forrestal of Dillon

Read, who was a caller at the White House not so long ago?

THE PRESIDENT: Not yet. You have got plenty of news today.

Q Do you expect to see Colonel Stimson or Colonel Knox while here, Mr. President

THE PRESIDENT: No. They will be down just as soon as confirmed.

Miss LeHand says she is hungry.

Q Thank you, Mr. President.

THE PRESIDENT: Otherwise, I don't think there will be anything. If there is, I will let you know.

CONFIDENTIAL
Press Conference #655,
Executive Offices of the White House,
June 25, 1940, 4.12 P. M.

THE PRESIDENT: Well, how is everything?

Q The throne (indicating the chair usually occupied by Mr. Earl Godwin) is unoccupied today, I guess.

Q Mr. President, I have been asked to give you this as a present. I do not know whether it will be of practical use to you or not.

THE PRESIDENT: Good -- Gracie Allen -- that is all right.

Q Read the first page -- not the introduction but the first page.

THE PRESIDENT: All right. I wish Gracie would put her name in it for me.

Q Her publisher brought it. Read just the first page -- not the introduction but the next.

(The President was reading)

That is the introduction, isn't it? There it is (indicating).

THE PRESIDENT: That is a new one -- "stujent." (Laughing) That is perfect. "A complete nut." It is all right. I like them that way.

Q I will tell the publisher to get her to write her name in it.

THE PRESIDENT: I know a lot of nuts but they are not complete nuts.

Q Yes, it takes a complete one to be good.

MR. DONALDSON: All in.

THE PRESIDENT: I think the only thing I have got is worked out this morning, the complete plans for the training of candidates for line officer commissions in the Naval Reserve. Steve (Mr. Early) will give you a mimeograph on this afterwards.

Roughly, it will mean the enlistment of 5,000 young men who have had a minimum of two years of college education and -- to go into the

Naval Reserve and be given, this summer and fall, a month of training at sea, similar to the routine used through the ROTC boys a good many years. At the end of this training cruise of a month, conducted on a competitive basis, selected candidates will become eligible for an appointment in the Navy as Naval Reserve Midshipmen. Thereupon, upon such appointment, they would be eligible to take a further course of three months' special instructions on shore, leading to qualifications for commissions as ensigns in the Volunteer Reserve for general line duty. These midshipmen, during their three months' course, would receive the same pay and allowances as midshipmen at the Naval Academy and the three-months' special course after the cruise could, of course, be deferred if the young man had to go back and finish college. He could take it next spring or, in the event of national emergency, leave college and take it then, In other words, it doesn't have to follow, of necessity, after the training cruise.

We are making available three battleships in the Atlantic for this cruise. It will begin about the middle of July and run different classes of them until the middle of January next. They would be given a regular training in gunnery, navigation, engineering, communications, standing watch and so forth, and they will be paid their railway fare and get free board and lodging, together with food, with their necessary uniforms, books and equipment. They would not receive regular pay on this cruise, not until they were selected to be midshipmen and took the 90-day shore course.

The first 90-day course for the first batch who finish the month's cruise would be conducted on the USS ILLINOIS at New York, starting about the middle of August and, in case the number of applicants for this instruction exceeds the capacity of the ILLINOIS, we would give further

instruction, first in the Chicago area, second in the California area and fourth (third) in the Gulf Coast, the New Orleans area.

Also, next February we will have room at the Naval Academy because of the graduation of the class of 1941 in February. We will have room for 500 Naval Reserve midshipmen for the three-months' course there.

Those who graduate from this 90-day course will be given commissions as ensigns, Volunteer Naval Reserve, and, of course, then will be eligible for -- as long as we have a limited national emergency -- for service on active duty in the fleet, with full pay and allowances, just like the many Reservists who are now already on active duty.

They have to be American born, nineteen to twenty-six years old, and they have to be unmarried. They have to present abstracts of college records and recommendations from responsible citizens. If they are under twenty-one, they have to get the consent of their legal guardian and the physical requirements are the same as those for Naval Academy graduates.

Applicants may begin on Friday, June twenty-eighth, three days from now, and apply at headquarters in any Naval District or Naval Reserve Unit or Navy Recruiting Station nearest home to make out their application forms and take the physical examination.

Well, that is about all there is to it. Steve (Mr. Early) will give you the same thing, mimeographed.

Q Isn't that substantially the same program as you started in 1917?

THE PRESIDENT: Practically the same thing, yes.

Q Mr. President, can you tell us anything about the movement of the Fleet from Hawaii?

THE PRESIDENT: No. No news.

Q Is there any thought being given to establishing a South American Squadron of the Fleet?

THE PRESIDENT: Not that I know of.

Q There has been some draft legislation introduced on the Hill. Would you care to say anything about the advisability of that step at this time?

THE PRESIDENT: I do not think that I can say anything more on it than that it is in the study stage and, of course, on various lines of it we are moving ahead, like on this training course for officer material in the Navy. But, on the general subject, we are still studying it.

Q Thank you.

Q Mr. President, there seems to be a little confusion about this Fleet movement. Secretary Hull, in his Press Conference at 12.30, was asked about the matter and he said that at that hour the State Department's information was that the Fleet was still in Hawaiian water.

THE PRESIDENT: Well, there is no news at the White House. (Laughter)

Q The story is being carried that Secretary Perkins is resigning, effective July 1. Is that correct?

THE PRESIDENT: Oh, I have been reading that for almost every first of July since 1933. I guess it falls into the same category as the previous stories.

Q Is the Postmaster General going to resign?

THE PRESIDENT: No. I had not even heard that one. (Laughter)

Q Mr. President, is there anything you would like to say on Governor Stassen's speech last night?

THE PRESIDENT: Not on the record. (Laughter)

Q Thank you.

THE PRESIDENT: No, I wish -- this is off the record and just between us -- somebody gave me an excerpt from a story written by a very good friend of ours, an old friend of ours. I have not read the speech -- I wish everybody in the country would read it, though, and see whether they interpret the speech the way Ray Clapper did. I would really like to

have a cross section to see whether the country -- don't write all this stuff down, this is off the record --

Q (interposing) Sometimes you put it back on.

THE PRESIDENT: -- to see whether the country as a whole, on reading the speech, agrees with Ray's interpretation because I think it is a joy. It says this: "Ray Clapper says in his column today, 'Governor Stassen pointed out the challenge of the hour called for the Republican Party to rise above narrow partisanship.' He goes on and says, 'Governor Stassen was not merely stringing words together when he said it is the duty of the Republican Party to place the future of this country above all other considerations, including the desire to win.'"

Well, all I can say is that if Ray is right, it is the most extraordinary event in American politics in the last 150 years.

Q Mr. President, doesn't Governor Al Smith have a word for that?

THE PRESIDENT: I think he had several words for it.

Q Would you reconsider your construction that that should be off the record?

THE PRESIDENT: Oh, no; that is off the record. (Laughter) In other words, that is talking about a member of the family and we do not do that on the record.

Q Are you ready, Mr. President, to announce any more Executive Assistants, or rather, Administrative Assistants?

THE PRESIDENT: Not yet.

Q Would it be desirable for the national defense, in your opinion, that the 1917 statute, which prevented your carrying out of this torpedo boat thing, would be repealed?

THE PRESIDENT: You do not mean torpedo boat, you mean motor launches. It is an entirely different thing.

Well, of course, that is a matter of opinion. It seems to me it

would have been a damned good deal, from the point of view of national defense, to put through. Obviously. In other words, instead of getting these twenty small boats in the course of this summer, with an inadequate torpedo, of which we have very few, by delaying the deliveries a few months, we would get a much better boat with a standard torpedo. Well, there, of course, it is always a question of judgment. I think, from the point of view of the Navy and national defense, it would have been a damned good trade.

Q Do you think any of the officers of the Navy might try to bring the Senate and House Committees around to that point of view?

THE PRESIDENT: I do not know. It is just a matter of common sense, I should say. As you know, I am supposed to be a pretty good horse trader.

Q Mr. President, what progress is being made on the inter-American economic development -- cooperation?

THE PRESIDENT: You mean on this --

Q (Interposing) The program you spoke about last week.

THE PRESIDENT: The program I talked about on Friday up at Hyde Park?

Q Yes, sir.

THE PRESIDENT: Well, they are going ahead with it. I talked this morning with the Secretary of Agriculture and Milo Perkins about it. I suppose we will have something in the course of the next week or two on it that is fairly definite.

Q You are not going to extend the stamp plan to South America, Mr. President? (Laughter)

Q Have you had any reports from Knudsen on the progress of procurement planning you can tell us about?

THE PRESIDENT: Not since I saw him last Thursday. He seemed satisfied we are making pretty good progress -- he did then.

Q Is there any possibility this Government might withdraw its recognition of the French Government at Bordeaux?

THE PRESIDENT: I have not heard anything about it, one way or the other.

Q Will any consideration be given to recognizing the French Government that has not surrendered?

THE PRESIDENT: Same thing; I have not heard anything about it.

Q Are you planning to ask for an expanded health program as part of the national defense plan?

THE PRESIDENT: No. No. On the question of health -- in other words, you put it the wrong way.

Q All right; you put it right.

THE PRESIDENT: It is still, again, in the study stage. We are making national defense plans that relate to health and education. Well, I always remember, for example, in the World War there were a number of communities that suddenly doubled, tripled or quadrupled in population. In other words, new munition plants were put up in these existing communities and workmen moved in there, in many cases with their families -- wife and number of children -- and the Government went ahead, because this thing had not been sufficiently planned for, and put up houses for these people to live in, and sort of trusted to the community and God for the necessary health and educational facilities. Well, in some cases the communities, because they were fairly large, were able to provide those facilities and, in other cases, the community did not, and there was a great deal of trouble. There were not enough schools to take care of the children and the additional population and, in the same way, there were not enough hospital facilities to take care of the additional population.

So we are studying the best way of setting up -- I won't call it a program, but a plan which could be put into effect in case of need, by

which, where there were any new plants or movements of population from one place to another, we would be able to take care of the health of the people who come into those new places and, at the same time, take care of the education of the children belonging to those people.

Then, of course, there is a further step on the health end of it, which is the surveying and the working out of a plan in case there should be an epidemic of large proportions. We all know that in the history of things wars that cover very large areas are often followed by epidemics of one kind or another. With the help of the three medical Services of the Government -- Public Health, the Army Medical and the Navy Medical -- and with the help of the American Medical Association and, I suppose, other groups of doctors and hospitals, we are working out a complete survey of the facilities and needs and ways of meeting them to take care of anything like a general epidemic in better shape than we were able to take care of the flu epidemic in 1918, because we made practically no preparations for that flu epidemic.

Q Any ideas of a permanent tax program, now that the Tax Bill has been signed?

THE PRESIDENT: What?

Q Any information on a permanent tax program?

THE PRESIDENT: I do not think there is anything on that. I have signed the Tax Bill.

Q There won't be anything further?

THE PRESIDENT: There won't be anything further until I talk to some of the people next week, when they get back.

Q Can you tell us about your conference yesterday with Mayor LaGuardia?

THE PRESIDENT: Oh, we talked about everything, including the kitchen stove.

Q Any possibility that Mr. LaGuardia might appear ultimately in your Cabinet?

THE PRESIDENT: We did not talk about that (laughter) so that is an exception.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #656,
Executive Offices of the White House,
June 28, 1940, 10.50 A. M.

MR. DONALDSON: All in.

THE PRESIDENT: I am sorry to be late this morning but I tried to get downstairs and the elevator was not working. Somebody had turned the power off and I hope it is not a connotation of what happened in Philadelphia last night (referring to the nomination of Wendell Willkie by the Republican Convention at Philadelphia). (Laughter)

Another step in the defense program: Donald M. Nelson has been appointed Coordinator of National Defense Purchases. In association with the National Defense Advisory Commission, he will be responsible for coordinating all purchases of various Government agencies that may be involved in the defense program.

And then Steve (Mr. Early) has outside for you a page and a half release showing the various details of this purchasing coordination.

So, what else? I have asked Dan Tobin to be an Administrative Assistant and he is coming down Sunday afternoon to talk it over with me.

I think that is all.

Q Will Mr. Tobin be in charge of any specific functions in case he accepts?

THE PRESIDENT: No, no; general handy man.

Somebody will probably ask the question: We had this meeting yesterday of the four Cabinet officers who have been working in their departments on the economic problem of the American Republics. We made further progress yesterday and I have asked -- I have not actually asked him yet, I am going to in a few minutes -- Jim Forrestal to act as my legs and ears on the coordinating of this particular program -- just for me.

I think that is all I have got.

Q Mr. President, any indication of when that may be ready for submission to the American Republics?

THE PRESIDENT: Well, we are working on it very hard. I cannot give you any specific time or specifications on it. We are making good progress.

Q On that, there have been some reports that the original corporation idea has been abandoned. Anything in that?

THE PRESIDENT: Well -- still haven't got to it yet. I do not think so. You would have to have some corporate entity to handle it.

Q Along that line, it is also reported that there may be several corporations to deal with different commodities such as wheat and coffee?

THE PRESIDENT: Well, that is a matter of pure detail that is not the least bit important. That is machinery. Nobody knows. It is a matter of convenience more than anything else.

Q Do you have any preliminary reactions from the other governments in a very general way as to their idea of this thing?

THE PRESIDENT: I would say very general interest.

Q Could you give us anything as to the raw materials which may be involved besides agricultural products?

THE PRESIDENT: Everything.

Q Everything?

THE PRESIDENT: Agricultural and mineral and vegetable and animal.

Q Mr. President, in the absence of May Craig, could I ask if you would like to discuss politics this morning?

THE PRESIDENT: I do not think so. I have been very busy on other things.

Q Did you have any thought of getting in touch with Mr. Willkie on a common approach to foreign affairs?

THE PRESIDENT: No. I would be very glad to talk to him if he wants to talk about it, naturally.

Q Is there any news of the Fleet movement yet?

THE PRESIDENT: Of what?

Q The Fleet movement?

THE PRESIDENT: No, no news at all. (Laughter)

Q When might we expect some news on the Fleet, Mr. President?

THE PRESIDENT: I do not know.

Q Have you any idea of where it is? (Laughter)

THE PRESIDENT: Well, if you mean by latitude and longitude, no.

Q Would you go so far as to say, Mr. President, that it is still in the Pacific Ocean?

THE PRESIDENT: Well, you know we have been working on -- we have been working to see if we could not develop lots of wings and put them on battleships so that they would be able to fly across the Continent just the same way we have been working on the beautiful suggestion that came from out of Colorado that we dig a tunnel through the Rocky Mountains so we could ship the Fleet from ocean to ocean.

Q Mr. President, do you contemplate using the powers referred to in your Proclamation of yesterday to take vessels or to detain such vessels as the NORMANDIE in American waters?

THE PRESIDENT: No. I think the way to explain that is merely the fact that under that Proclamation any foreign flag ship that there is any question about would be held for clearance by Washington. It makes it easier for the different local people in different harbors. It enables them to hold the ship, if there is any question, until they get some kind of clearance from Washington, and that is the only objective, really, of the Proclamation. Each case is determined on its own merits.

Q Mr. President, I notice that the Espionage Act, under which the Proclamation was issued, begins "Whenever the President by Proclamation or Executive

Order declares a national emergency to exist, he has such and such powers." Has that finding been made?

THE PRESIDENT: I don't know. You had better ask the Attorney General. All I got was clearance from the Attorney General. I do not know the details.

Q (Mr. Belair) He ain't talking. (Laughter)

Q Mr. President, reports persist around the War Department that the Army is drafting a new request for authorizations and funds that might run into very large figures. Has such a program been brought to your attention?

THE PRESIDENT: Well, I think the only way to explain that is this: that when new production facilities are created, it is cheaper in the long run to give a sufficiently large order to keep them going, at least for a while. That is the thing that is being determined at the present time, whether in some particular fields of procurement, or production, it would not really save us money if we increased the orders now so as to give assurance to industry, on the planning end, that they, at least, will get part of their money back through a larger order, so that they take less risk of making a pretty heavy loss.

Now, that may involve a request for additional appropriations for these particular things that may be involved in it, with the feeling that it will pay to do it in the long run.

Q Figures have been mentioned in that connection that run into the billions of dollars, sir. Do you think it will run --

THE PRESIDENT (interposing): I have no idea from preliminary studies on it. It might -- well, just for example, on airplanes it might mean actually ordering more planes than we have got appropriations for at the present time, working toward the objective of 50,000 even though it did not reach the whole 50,000. It is a matter of study as to how many more we ought to order, and good business principles in order to break even.

Q Does the plan for coordination of purchases extend to the purchases of American and foreign governments, or is it only our own?

THE PRESIDENT: I think it is only our own.

Q Mr. President, you said the other day --

THE PRESIDENT (interposing): Well, of course actually it does work in because on the foreign government purchases, that clears through the Treasury and the Procurement Officer of the Treasury coordinates that with this Co-ordinator.

Q Mr. President, have you got anything to say on the cooperation of industry in expanding our defense program?

THE PRESIDENT: All I can say is that yesterday, at the Council meeting, everybody seemed to be extremely happy and to be making extremely good progress and they were very well satisfied with the way industry is coming forward.

Q How is your Hyde Park Library coming, sir? Are you going to dedicate it on the Fourth of July?

THE PRESIDENT: No. No. The dedication of that -- this is not the time to dedicate. The dedication will be deferred until next spring when we are hoping to have the exhibits in place and to admit the public. You see, today it is just an empty building. But we may, on the Fourth of July, have the legal procedure of turning it over to the Government from the Corporation. I won't go into any more details because it is a good story for later on.

Q We could use it up there.

Q Have you authorized the National Defense Council to take over the new Social Security Board building and the Railroad Retirement Board building?

THE PRESIDENT: Oh, yes; yes. In other words, we have asked the Social Security and what is the other one?

Q Railroad Retirement.

THE PRESIDENT: Railroad Retirement to stay in Baltimore and not move into Washington because we need their space.

Q We did not get the answer back here to that question on authorization. Has a state of national emergency been declared?

THE PRESIDENT: I told Felix (Mr. Belair) he would have to ask the Attorney General.

Q Thank you, Mr. President.

THE PRESIDENT: And Felix says the Attorney General won't say anything, so I don't know. (Laughter)

Q Thank you, Mr. President.

Q (Mr. Belair) I tried him.

THE PRESIDENT: That is a new one on me.